



# NASSAU COUNTY LEGISLATURE

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Office of Legislative Budget Review

## **Review of the Fiscal Year 2008 Budget & Multi-Year Plan**

### **Departmental Analysis**

**Eric C. Naughton, Director**

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# *Nassau County Legislature*

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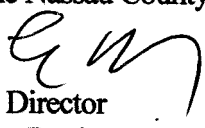


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**Inter-Departmental Memo**

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 15, 2007

Re: Multi-Year Plan & Departmental Analysis of the FY 07 Budget

The enclosed document contains an analysis of the FY 08 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, in our analyses we have included tables of historical expenditures and revenue, along with OLBR's FY 07 projections. In most instances inter-departmental charges have been excluded from the historical charts because of inconsistent treatment of these charges over recent years. In addition, in looking at staffing needs we compare the proposed FY 08 budget to actual staffing levels as of September 1, 2007, as well as to the FY 07 budget. The historical expenditure charts also show headcount as of September 1<sup>st</sup> of each year.

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 <http://www.nassaucountyny.gov/agencies/OLBR/reports.html>.

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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.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	153	202	251	257	261	1.6%
Salaries	\$7,015,631	\$9,514,557	\$11,795,095	\$13,475,833	\$14,588,505	8.3%
Misc OTPS	612,475	818,299	1,119,057	1,241,737	895,000	-27.9%
Contractual Services	1,001,067	5,952,738	1,130,197	1,572,647	792,579	-49.6%
<b>Total</b>	<b>\$8,629,173</b>	<b>\$16,285,594</b>	<b>\$14,044,349</b>	<b>\$16,290,217</b>	<b>\$16,276,084</b>	<b>-0.1%</b>

In January of 2003 the first tax roll based on the county-wide reassessment was published. At that time the Department of Assessment began to develop the resources necessary to perform the ongoing annual revaluation required to keep the assessment up to date. At first the department relied on the professional services provided via contract with Tyler Technologies, formerly known as Cole Layer Trumble (CLT), the company that had conducted the reassessment. The contractual services costs vary from year to year as the FY 04 and FY 06 CLT costs were pre-paid in the prior year. As can be seen in the chart above, however, the department's headcount has increased from 153 full-time positions in FY 04 to the 257 positions currently on payroll, with a related rise in salaries from \$7.0 million to \$14.6 million in the proposed budget. This staffing up has been directed towards developing the in-house expertise to annually update the roll and to administer the small claims assessment review proceedings.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$13,102,659	\$13,475,833	\$14,788,505	\$14,588,505	\$1,485,846	\$1,112,672
BB	Equipment	316,737	316,737	85,000	85,000	(231,737)	(231,737)
DD	General Expenses	825,918	925,000	835,000	810,000	(15,918)	(115,000)
DE	Contractual Services	2,405,106	1,572,647	817,579	792,579	(1,612,527)	(780,068)
	<b>Total OTPS</b>	<b>3,547,761</b>	<b>2,814,384</b>	<b>1,737,579</b>	<b>1,687,579</b>	<b>(1,860,182)</b>	<b>(1,126,805)</b>
	<b>Grand Total</b>	<b>\$16,650,420</b>	<b>\$16,290,217</b>	<b>\$16,526,084</b>	<b>\$16,276,084</b>	<b>(\$374,336)</b>	<b>(\$14,133)</b>

The budget proposed for the Department of Assessment is \$16.3 million, a decrease of 2.2% from the \$16.7 million adopted in 2007, and an amount almost equal to the current year's projected spending.

The reduction is the net result of a \$1.5 million increase in salaries and a \$1.9 million decrease in OTPS expenditures.

While all of the department's OTPS lines are being cut, the largest decrease is the \$1.6 million in contractual services. The FY 07 contractual services line includes just under \$1.0 million dollars for Cole Layer Trumble, now Tyler Technologies, for continued assistance with the annual update. The actual FY 07 cost is projected to be \$895,000. The CLT contract was originally for a term of six years, beginning in 2003, at \$4.5 million annually. The agreement was renegotiated to reduce the cost for the remaining years of the contract. The total amount paid for 2005 through 2006 was \$4,999,900. There is no contractual funding in FY 08 for Tyler to provide services related to the annual update. Tyler will, however, continue to receive payment for software maintenance on its proprietary Integrated Assessment program, budgeted at \$264,985 for 2008. In addition, there is another \$100,000 allocated in the event that any program code modification is necessary, for example, if a new exemption is granted.

Another contractual reduction reflected in the proposed FY 08 budget is the decrease from \$800,000 to \$400,000 in the anticipated agreement with an employment agency to provide temporary workers during peak business periods. The FY 07 budget had also included approximately \$200,000 for a contract to utilize field pictometry aerial imaging as an aid to assessment. Those services have not been contracted for in FY 07, and are not included in the FY 08 budget. The maintenance on the department's voice mail system has been funded at \$27,594.

The line for equipment has been reduced by 73.2% to \$85,000. Money that had been allocated for office furniture and copiers in FY 07 was removed from the proposed budget. The department will attempt to fill its furniture needs by using available County surplus, and will obtain its copiers through capital funding.

The salaries budget is increasing by 11.3%, from \$13.1 million to \$14.6 million. 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.

OLBR is projecting that salaries in the current year will exceed budget by about \$373,000. The department has been operating at or slightly above its budgeted full-time headcount for most of FY 07, with OMB's authorization. The proposed budget includes 10 additional full-time positions, and sufficient funding for CSEA employees to step and receive a COLA.

<b>Department of Assessment Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	251	257	266	261	10	4
Part-time and Seasonal	7	2	4	4	(3)	2



The budget as proposed contains 5 fewer full-time positions than were requested by the Department of Assessment. These were on a line labeled “Empty” which contained lump sum funding in the amount of \$338,549. The new hires were to be used for small claims cases and assessment roll update. The positions eliminated, which were budgeted for half salary in anticipation of staggered hiring, were two Deputy Assessors, a Deputy Director Real Property Services, an Accounting System Specialist, and Community Services Representative. The Executive Budget did retain \$138,400 on the Empty line, of which \$50,000 is to be used to fund graded service plan steps for CSEA employees, \$50,000 for promotions, and \$38,400 for the hiring of ten seasonal employees. These seasonal employees do not show up on the staffing analysis chart on the previous page because the Empty line does not have any headcount associated with it.

It should be noted that the Executive budget includes a salary increase for the County Assessor, who is currently earning \$100,000. The proposed adjustment would raise his salary to \$166,300, which is the amount recommended by the Blue Ribbon Panel that examined the issue of the compensation of Nassau County’s elected officials. However, in a letter dated September 27, 2007, addressed to the leadership of the Legislature, County Executive Suozzi has proposed that the additional funding for the County Assessor, as well the increases for other elected officials, be removed from the salary lines of the individual office holders, and placed in the budget contingency line in the Miscellaneous cost center. He also recommends that a public debate be held on the Blue Ribbon Panel’s proposals “at the next regularly scheduled legislative meeting following the conclusion of the budget process.”

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Rents & Recoveries	\$2,571	\$1,153,173	\$466,494	\$0	\$0	0.0%
Department Revenues	193,850	176,210	157,275	130,000	210,000	61.5%
State Aid	870,370	1,362,144	916,523	916,523	916,523	0.0%
<b>Total</b>	<b>\$1,066,791</b>	<b>\$2,691,527</b>	<b>\$1,540,292</b>	<b>\$1,046,523</b>	<b>\$1,126,523</b>	<b>7.6%</b>

The chart above shows the recent history of the revenues received by the Department of Assessment. In FY 05 \$1.2 million was booked for rents and recoveries. This resulted from the disencumbrance of funds for outside counsel to handle small claims assessment cases, which were taken back in-house. Starting in FY 04 the department began to receive state aid for the annual updating of its roll. Department revenues have been trending downwards during this period.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 06 Proj.</b>
BH Department Revenues	\$245,000	\$130,000	\$210,000	\$210,000	(\$35,000)	\$80,000
SA State Aid - Reimb. Exp.	800,000	916,523	916,523	916,523	116,523	0
<b>Total</b>	<b>\$1,045,000</b>	<b>\$1,046,523</b>	<b>\$1,126,523</b>	<b>\$1,126,523</b>	<b>\$81,523</b>	<b>\$80,000</b>

The proposed FY 08 revenue budget is increasing by 7.8%. All of the gain comes in state aid, which is expected to grow by 14.6% over the FY 07 budget. The Assessment Department receives two kinds of state aid, School Tax Relief program (STAR) Administrative Aid and Annual Reassessment Program funds. STAR provides a partial exemption from school property taxes for owner-occupied, primary residences. STAR Administrative Aid payments are intended to help defer the costs incurred by local assessors, tax collectors and county directors in performing such STAR related activities as application processing, receipt mailing, compliance with the Taxpayers' Bill of Rights, local outreach, complaint processing and correction of errors. The amount projected to be received in FY 07 for STAR Administrative Aid is \$416,523, and that same amount is assumed for FY 08.

The Annual Reassessment Program funding, first available for 1999 assessment rolls, allows for a payment of up to \$5 per parcel annually. The objective of this program is to enhance the efficiency of the administration of the real property tax. In order to be eligible to receive this aid, an assessing unit must annually conduct a systematic analysis of all locally assessed properties, and implement a program to physically inspect and re-appraise each property at least once every six years. Although Nassau has over 400,000 parcels, the state caps its aid at \$500,000, and that is the amount in both the FY 07 and FY 08 budgets.

The department also collects fees for such services as the sale of tax maps, property record cards, and various reports. These are booked as departmental revenues. While the Executive FY 08 budget of \$210,000 for this revenue has been reduced by \$35,000 from the FY07 adopted, the proposed total is \$80,000 greater than the current FY 07 projection. An ordinance to increase various fees charged by the department was approved by the County Legislature this past summer. The FY 08 departmental revenues budget assumes that the fee increases will raise an additional \$40,000 annually.

ASSESSMENT REVIEW COMMISSION

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The Assessment Review Commission (ARC) is a quasi-judicial arm of the County which serves to review assessment claims in order to provide residents with timely and appropriate relief from excessive valuations. Administrative appeals for the 2007-2008 tax year account for approximately 32% of total residential parcels on the tax roll, and 51% on the commercial side. By improving tax assessments that preclude over-payment on behalf of the taxpayer, the Commission's determinations on administrative appeals result in a decrease to the County's tax refund liability.

Legislative Bill A09033 presently in the New York State Assembly and associated Senate Bill S5555 will extend the 2002 legislation that provides a one-year administrative review period of assessments. The current bill expires in 2012.

It is anticipated that the County's year-end tax certiorari liability will be \$137.0 million, consisting of \$40.7 million of new proceedings commenced in 2006 and old proceedings valued at \$96.3 million. The \$40.7 million of new liability is less than the \$50.0 million appropriated (\$40.0 million in the Treasurer's and \$10.0 from anticipated operating surplus) for tax certiorari payments in the FY 08 proposed budget. ARC estimates that approximately \$140.0 million in excess liability was removed from the 2007-2008 roll, through administrative appeals.

According to ARC, the value of commercial property corrections increased 24% between 2006-07 and 2007-08. These reductions generated 92% of the total costs savings. Residential reductions declined to 56% of the level reached last year (2006-07) due to improvements in the accuracy of residential assessments estimated by ARC. Further, determinations were made on all completed applications filed for review of 2007-08 assessments. ARC entered into stipulations of settlements in 8,506 residential cases.

Detailed in the chart below, total administrative appeals have increased by 9.0% since 2003-2004, and have shown a decrease of 5.5% since 2007-2008. The number of appeals for residential parcels declined by 5.9% from 2007-2008, down from 122,027 to 114,808 appeals in 2008-2009. Commercial appeals have decreased marginally by 0.7% over the past 5 years, and down 1.0% since 2007-2008. Historically, commercial appeals have remained relatively stable. Residential appeals were at its peak after the first revaluation in 2004-2005, but continue to remain high. According to ARC's 2007-2008 Annual Report, 7% of the 122,401 residential appeals were reduced, resulting in an average tax reduction of \$1,192. Approximately 53% of appeals are resolved at the administrative level, and 44% are sent to Small Claims.

<b>Administrative Appeals</b>						
<b>Assessment Review Commission</b>						
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Residential Appeals</b>						
By Owner	11,906	17,028	9,055	12,152	11,950	11,675
By Representative	87,078	124,015	97,623	116,068	110,077	103,133
<b>Total Residential Appeals</b>	<b>98,984</b>	<b>141,043</b>	<b>106,678</b>	<b>128,220</b>	<b>122,027</b>	<b>114,808</b>
<b>Commercial Appeals</b>						
Class 2: Apartments	4,153	4,272	4,177	4,259	4,453	4,579
Class 3: Utility Equipment	89	89	89	89	281	101
Class 4: Other Commercial	14,078	15,144	14,070	13,871	13,636	13,504
<b>Total Commercial Appeals</b>	<b>18,320</b>	<b>19,505</b>	<b>18,336</b>	<b>18,219</b>	<b>18,370</b>	<b>18,184</b>
<b>Total Parcel Appeals</b>	<b>117,304</b>	<b>160,548</b>	<b>125,014</b>	<b>146,439</b>	<b>140,397</b>	<b>132,992</b>
Duplicate Filings	10,830	12,832	7,457	9,113	7,293	6,638
<b>Total Appeals</b>	<b>128,134</b>	<b>173,380</b>	<b>132,471</b>	<b>155,552</b>	<b>147,690</b>	<b>139,630</b>

Since 1983, a special small claims proceeding has been available for New York State homeowners to personally bring a property tax matter before a judicial hearing without the expense of using a lawyer and paying normal court fees. The only charge is a \$25 filing fee. The number of small claims has been more than 35,000 for all years at least as far back as 1999, excluding cases against the villages, which have no impact on the County. Small claims filings have declined from 40,000 before the revaluation to an average of less than 38,000 from 2003-2005, during which time many errors in the first and second revaluations were resolved by ARC reductions. With the improvement in the quality of assessments in the third revaluation, the number of settlements declined. However, as a result of the decline in administrative settlements, small claims filing increased in 2007 to over 50,000.

Going forward, ARC has maintained that notwithstanding the cost of inflation, \$50.0 million will be a sustainable amount to absorb new liability within the operating budget. In 2006, an additional \$19.5 million was added to the approximate \$50.0 million of operating funds, booked as an accrual to account for the current backlog of unpaid settlements.

<b>History of Residential Filings and Small Claims Settlements</b>							
	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>
Total # of Residential Filings(*)	61,028	98,984	141,043	106,678	128,220	122,027	114,808
# of Reductions Granted by ARC	1,168	17,409	38,656	33,626	11,908	8,644	n/a
Total # of SCAR Filings	40,520	31,704	46,557	36,781	57,859	50,784	n/a
% of Total Filing SCAR	66.40%	32.03%	33.01%	34.48%	45.12%	41.62%	n/a
# of Settlements at SCAR	23,539	17,027	21,262	18,997	12,370	n/a	n/a
(*) Class 1 only							
2006/07 SCAR #'s as of February 2007. Of total SCAR filings app. 50% of cases had been heard							
2007/08 SCAR filings estimated based on initial count provided by Dept of Assessment.							
2007/08 SCAR cases to be scheduled for hearings beginning around September 2007.							

Interest on refunds as a percent of principal paid on petitions, commercial and residential refunds have been dramatically reduced since the revaluation.

<b>Interest Paid by Tax Year</b>					
	2001-02	2002-03	2003-04	2004-05	2005-06
Petitions	\$36,379	\$31,441	\$67,230	\$7,527	\$56,294
Commercial Refunds	3,288,250	436,811	408,711	327,099	252,264
Residential Refunds	480,160	856,310	669,887	189,512	348,514
<b>Total Interest</b>	<b>\$3,804,789</b>	<b>\$1,324,562</b>	<b>\$1,145,828</b>	<b>\$524,138</b>	<b>\$657,072</b>
<b>Refund Principal</b>	<b>\$66,842,022</b>	<b>\$94,612,072</b>	<b>\$123,363,821</b>	<b>\$78,831,041</b>	<b>\$50,341,131</b>
<b>Interest per principal</b>	<b>5.7%</b>	<b>1.4%</b>	<b>0.9%</b>	<b>0.7%</b>	<b>1.3%</b>

Looking at ARC's budget, the greatest increase in regards to the historical trend is expenditure for salaries, which is consistent with growing headcount of 42 full-time employees a propos ARC's reform of the tax certiorari and review process. A major component of the administration's debt reduction and restructuring plan in FY 03, established the Commission's role to play a leading part in the elimination of the backlog.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	27	37	46	43	42	-2.3%
Salaries	\$2,063,063	\$2,706,632	\$3,283,155	3,685,499	\$3,714,928	0.8%
Misc OTPS	53,397	85,510	71,663	133,832	165,500	23.7%
Contractual Services	\$1,511,871	\$1,132,590	1,790,000	1,550,000	1,701,000	9.7%
<b>Total</b>	<b>\$3,628,331</b>	<b>\$3,924,732</b>	<b>\$5,144,818</b>	<b>\$5,369,331</b>	<b>\$5,581,428</b>	4.0%

The proposed FY 08 budget for the Assessment Review Commission is \$5.6 million, up by 0.7% from the \$5.5 million adopted in the FY 07 budget and 4.0% greater than the \$5.4 million projected for 2007. Compared to the FY 07 adopted budget, expenditures for equipment and general expenses are decreasing by \$944 and \$1,641, respectively, partially offset by a 1.3% increase, or an additional \$21,000 in contractual services costs. Personal computers & printers (that are 5 years or older) will be replaced through the IT capital budget in FY 08. Including a marginal increase in salaries by 0.6%, or \$21,318, ARC's total expense budget for FY 08 reflects a \$39,733 increase over the FY 07 budget.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Exec. vs FY 07 Proj.</b>
AA	Salaries	\$3,693,610	\$3,685,499	\$3,714,928	\$3,714,928	\$21,318	\$29,429
BB	Equipment	20,944	19,112	20,000	20,000	(944)	888
DD	General Expenses	147,141	114,720	145,500	145,500	(1,641)	30,780
DE	Contractual Services	1,680,000	1,650,000	1,701,000	1,701,000	21,000	51,000
	<b>Total OTPS</b>	1,848,085	1,783,832	1,866,500	1,866,500	18,415	82,668
	<b>Grand Total</b>	<b>\$5,541,695</b>	<b>\$5,469,331</b>	<b>\$5,581,428</b>	<b>\$5,581,428</b>	<b>\$39,733</b>	<b>\$112,097</b>

ARC's staff consists of one Commissioner and Chairperson, one Board-Member Vice-Chairperson, one Community Services Representative, one Secretary and four part-time Board Commissioners. The rest of the staff is made up of 37 CSEA full time union employees, and 7 part time Clerk Typists. The salary increase is sufficient to accommodate the salary increase assumed for CSEA plus normal step increases. There is one leave of absence that cannot be filled by ARC. Of the total staffing, the Commission allocates 14 full time employees to commercial assessment and 10 full timers to residential. The remaining 18 full time employees and 13 part-timers are budgeted for the Commission in general.

<b>Assessment Review Commission Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	43	42	42	42	(1)	0
Part-time and Seasonal	13	11	13	13	0	2

This is the second year that appeals may be filed using AROW, a County e-government initiative which allows homeowners and lawyers to file and track administrative appeals on the Internet. AROW was available for the first time for the 2007-2008 filing period and was available again for the 2008-2009 filings in January and February 2007. Approximately one-third of the appeals filed by individuals and 93% of the total were filed electronically. ARC will review all complete appeals and make determinations in time to adjust the April 1, 2008, final assessment roll. Any reductions granted will result in adjustments to the amount billed for 2008-2009 taxes and will not generate refunds.

### **Out-year Initiatives**

<b>NAME</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Commercial Tax Grievance Filing Fee	\$3,400,000	\$3,400,000	\$3,400,000

The **commercial tax grievance filing 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. This is consistent with the fee that the State Legislature assigned to obtaining the index numbers for tax certs in the court system. 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 filing fee initiative. Since it is dependent on actions to be taken outside of Nassau County's control, it is questionable how likely it will be implemented by FY 09.

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.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	62	62	63	63	62	-1.6%
Salaries	\$4,018,141	\$4,360,558	\$4,362,047	\$4,988,886	\$5,231,548	4.9%
Misc OTPS	258,693	220,911	210,696	316,461	280,635	0.0%
Contractual Services	98	-	0	44,562	0	-100.0%
<b>Total</b>	<b>\$4,276,932</b>	<b>\$4,581,469</b>	<b>\$4,572,743</b>	<b>\$5,349,909</b>	<b>\$5,512,183</b>	<b>3.0%</b>

Historical expenses have increased steadily since 2004, primarily due to increases in salaries. The department makes use of temporary help for the administration of civil service exams. Miscellaneous expenses also vary greatly depending on the number and type of tests given in any particular year. Contractual services decreased in FY 08 from the 2007 budget since there was a police exam that was given in 2007.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$5,052,063	\$4,988,886	\$5,231,548	\$5,231,548	\$179,485	\$242,662
BB	Equipment	18,776	18,776	22,985	22,985	4,209	4,209
DD	General Expenses	334,685	297,685	257,650	257,650	(77,035)	(40,035)
DE	Contractual Services	7,562	44,562	0	0	(7,562)	(44,562)
	<b>Total OTPS</b>	<b>361,023</b>	<b>361,023</b>	<b>280,635</b>	<b>280,635</b>	<b>(80,388)</b>	<b>(80,388)</b>
HH	Inter-Fund Charges	150,000	150,000	50,000	50,000	(100,000)	(100,000)
	<b>Grand Total</b>	<b>\$5,563,086</b>	<b>\$5,499,909</b>	<b>\$5,562,183</b>	<b>\$5,562,183</b>	<b>(\$903)</b>	<b>\$62,274</b>



Salary costs are increasing from the FY 07 budget by \$179,485 due to an increase in terminal leave and part-time salaries. The \$77,000 decrease in general expenses is due to the one-time cost of the law enforcement examination. There was also a \$100,000 decrease in inter-fund charges for law enforcement medical exams at the Nassau University Medical Center. The \$50,000 for inter-fund charges 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.

The chart below shows the performance measurement from 2005-2008 for the Civil Service Commission.

<b>Performance</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Target</b>	<b>2008 Target</b>
Exams Announced	301	225	300	300
Candidate Scheduled	8,435	8,008	40,000	7,500
Applications for Employment and Examinations Reviewed	17,364	17,871	17,200	17,200
Employment Investigations	61,000	62,500	60,500	60,500
Criminal and Residency Investigations	250	201	250	250
Fingerprinting Performed	746	447	500	350
Psychological tests; scheduled, administred, reviewed, and referred	369	896	550	500

The State Civil Service Office prepares examination announcements prior to the establishment of eligible lists. The Civil Service Commissioners then determine the jurisdictional classification of positions. The examination determines the proper placement of each individual in accordance with the provisions of the Civil Service law.

<b>Civil Service Staffing Analysis</b>						
	<b>FY 07 Adopted</b>	<b>Sept-07 Actual</b>	<b>FY 08 Request</b>	<b>FY 08 Executive</b>	<b>Exec. vs 07 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	62	63	62	62	0	(1)
Part-time and Seasonal	39	35	44	44	5	9

The FY 08 proposed headcount is one less than the September 1, 2007 headcount. Part-time positions are increasing by five positions from the 2007 budget and by nine positions from the September actual.

<b>Historical Revenue</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Rents & Recoveries	\$135,682	\$1,066	\$3,636	\$7,562	\$0	-100.0%
Department Revenues	332,408	375,814	273,587	1,000,800	210,800	-78.9%
<b>Total</b>	<b>\$468,090</b>	<b>\$376,880</b>	<b>\$277,223</b>	<b>\$1,008,362</b>	<b>\$210,800</b>	<b>-79.1%</b>

Historical revenue varied over the years primarily due to the changes in department revenues which is based on exam fees received. The amount collected is dependent on the type of tests given. Fees in 2007 were up significantly due to a police exam given in 2007. Rents and recoveries account for anticipated reversals of prior year appropriations.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. Vs FY 07 Proj.</b>
BF Rents & Recoveries	\$7,562	\$7,562	\$0	\$0	(\$7,562)	(\$7,562)
BH Department Revenues	1,000,800	1,000,800	210,800	210,800	(790,000)	(790,000)
<b>Grand Total</b>	<b>\$1,008,362</b>	<b>\$1,008,362</b>	<b>\$210,800</b>	<b>\$210,800</b>	<b>(\$797,562)</b>	<b>(\$797,562)</b>

The \$210,800 in FY 08 revenue is a \$797,000 decrease from the FY 07 budget for the law enforcement examination fees received in 2007.

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 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.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	55	58	57	54	57	5.6%
Salaries	\$2,635,594	\$2,784,646	\$3,127,713	\$3,128,387	\$3,211,821	2.7%
Misc OTPS	526,775	145,777	2,841	3,503	2,200	-37.2%
Interdepart Charges	376,160	411,840	425,443	1,067,274	820,159	-23.2%
General Expenses	2,420,383	1,955,083	2,069,098	1,641,291	1,690,888	3.0%
Contractual Services	(154,602)	0	0	0	12,000	*****
<b>Total</b>	<b>\$5,804,311</b>	<b>\$5,297,346</b>	<b>\$5,625,095</b>	<b>\$5,840,455</b>	<b>\$5,737,068</b>	<b>-1.8%</b>

The above chart provides a five year history of the expenses for the Office of Constituent Affairs. Over that period, total expenses for the office have declined 1.2%. Decreases in the general expenses and miscellaneous OTPS lines have caused the total expense budget to decline. The Office’s greatest expense item is salaries. This year, the office’s headcount will grow as a result of the transfer in of two Police Headquarters employees. The Office of Constituent Affairs is receiving a Duplicating Machine Operator I and a Duplicating Machine Operator II as a result of the transfer. This transfer is occurring in an effort to consolidate all County printing and graphics functions. The transfer also includes OTPS funding of \$19,200. The chart on the following page provides a cross walk of the printing and graphics transfer from Police Headquarters to Constituent Affairs.

**Transfer of Police Headquarter’s Print Shop Unit to Constituent Affairs**

2007		2008	
<u>Adopted Budget</u>		<u>Executive Budget</u>	
<b>PDH</b>		<b>Expense</b>	<b>CF</b>
\$77,184		Salaries	\$77,184
2,427		Equipment	2,200
10,811		General Expenses	5,000
6,000		Contractual Services	12,000
<u>\$96,422</u>			<u>\$96,384</u>

2 FT Employees

2 FT Employees

The chart below details Constituent Affairs expenses by object class. The 2008 proposed budget is decreasing by \$127,683 or 2.2% from the 2007 budget. Decreases in the equipment and interdepartmental budgets are causing the total expense budget to fall. Excluding interdepartmental charges, the Executive 2008 budget is increasing 2.5% from the Adopted 2007 budget. The salary line is growing 1.7% from the 2007 budget and 2.7% from the 2007 projection. The salary line is not sufficient to accommodate the requisite terminal leave pay. According to OLBR projections, the Office will need \$43,213 to cover its terminal leave obligations. However, the proposed 2008 budget only includes \$12,327 for terminal leave payments.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$3,158,919	\$3,128,387	\$3,273,913	\$3,211,821	\$52,902	\$83,434
BB	Equipment	3,503	3,503	0	2,200	(1,303)	(1,303)
DD	General Expenses	1,635,055	1,641,291	1,685,888	1,690,888	55,833	49,597
DE	Contractual Services	0	0	0	12,000	12,000	12,000
	<b>Total OTPS</b>	<b>1,638,558</b>	<b>1,644,794</b>	<b>1,685,888</b>	<b>1,705,088</b>	<b>66,530</b>	<b>60,294</b>
HF	Inter-Depart Charges	1,067,274	1,067,274	820,159	820,159	(247,115)	(247,115)
	<b>Grand Total</b>	<b>\$5,864,751</b>	<b>\$5,840,455</b>	<b>\$5,779,960</b>	<b>\$5,737,068</b>	<b>(\$127,683)</b>	<b>(\$103,387)</b>

The proposed 2008 OTPS budget, will increase by 4.1% compared to the 2007 budget and 3.7% compared to the 2007 projection. The increase is a function of greater general expense spending. Within the general expense budget, greater office supplies, clothing and uniform supplies and miscellaneous supply costs are resulting in the overall budget increase.

Interdepartmental charges are declining 23.2% from both the 2007 budget and projection. New purchasing charges are being offset by fewer building occupancy costs. The Office is still being charged the same amount for its indirect charges.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center	Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs. FY 07	Variance Exec. vs. Request
10 Constituent Affairs	\$1,234,008	\$1,237,515	\$1,205,203	(\$28,805)	(\$32,312)
30 Printing and Graphics	4,630,743	4,542,445	4,531,865	(98,878)	(10,580)
<b>Total</b>	<b>\$5,864,751</b>	<b>\$5,779,960</b>	<b>\$5,737,068</b>	<b>(\$127,683)</b>	<b>(\$42,892)</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. The decrease is occurring in both control centers, the Constituent Affairs control center is dropping 2.3% and the Printing and Graphics control center is falling by 2.1%. The Constituent Affairs control center is declining as a result of a drop in salary expenses. Constituent Affairs salary costs are falling due to the omission of four clerk part-time positions and one research aide position in the proposed 2008 budget. The decline in Printing and Graphics expenses is largely a function of reduced interdepartmental charges. In 2008, Printing and Graphics building occupancy interdepartmental charges are decreasing by \$304,007.

**Office of Constituent Affairs  
Staffing Analysis**

	FY 07 <u>Adopted</u>	Sept-07 <u>Actual</u>	FY 08 <u>Request</u>	FY 08 <u>Executive</u>	Exec. vs 07 Adopt	Exec. vs <u>Actual</u>
<b>CC Full-time Staffing</b>						
10 Constituent Affairs	19	17	19	19	0	2
30 Printing and Graphics	38	37	37	38	0	1
<b>Total Full-time</b>	<b><u>57</u></b>	<b><u>54</u></b>	<b><u>56</u></b>	<b><u>57</u></b>	<b><u>0</u></b>	<b><u>3</u></b>
<b>CC Part-time and Seasonal</b>						
10 Constituent Affairs	8	4	5	5	(3)	1

The proposed 2008 full-time staffing budget for Constituent Affairs is remaining constant at the adopted 2007 levels. However, when compared to the September 2007 actual, the headcount in the proposed 2008 budget incorporates funding for three vacant full-time positions and one vacant part-time/seasonal

position. As mentioned previously, the salary line does not include enough funding for the required terminal leave payments. OLBR estimates that the salary line has a terminal leave deficit of \$30,886.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Rents & Recoveries	\$12,152	\$19,181	\$66,925	\$2,500	\$0	-100.0%
Interdepart. Revenues	4,145,592	1,712,940	2,612,447	1,355,282	1,156,498	-14.7%
<b>Total</b>	<b>\$4,157,744</b>	<b>\$1,732,121</b>	<b>\$2,679,372</b>	<b>\$1,357,782</b>	<b>\$1,156,498</b>	<b>-14.8%</b>

The above chart details the revenue collections of the Office of Constituent Affairs over the past five years. The office collects two revenue streams, rents and recoveries and interdepartmental revenues. Rents and recoveries collections peaked in 2006 and is not included in the proposed 2008 budget.

<b>REVENUE BUDGET</b>						
	<b>Adopted</b>	<b>OLBR</b>	<b>FY 08</b>	<b>FY 08</b>	<b>Variance</b>	<b>Variance</b>
	<b>FY 07</b>	<b>FY 07</b>	<b>Dept.</b>	<b>Exec.</b>	<b>Exec. vs</b>	<b>Exec. vs</b>
<b>Revenue Class</b>	<b>Budget</b>	<b>Projection</b>	<b>Request</b>	<b>Budget</b>	<b>Adopted 07</b>	<b>FY 07 Proj.</b>
BJ Interdepartmental Revenues	1,355,282	1,355,282	1,156,498	1,156,498	(198,784)	(198,784)

Similarly to 2007, in 2008, interdepartmental revenues are the only revenues being budgeted for by the Office of Constituent Affairs. 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 interdepartmental revenue for Constituent Affairs. The interdepartmental revenue budget will decrease by 14.7% budget to budget.

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 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Permits & Licenses	\$2,312,687	\$3,418,015	\$3,492,764	\$3,390,766	\$3,553,900	4.8%
Fines & Forfeits	553,828	784,242	782,186	763,645	800,000	4.8%
Rents & Recoveries	24	32	0	145	0	-100.0%
Department Revenues	25	410	620	626	200	-68.1%
State Aid	44,651	49,788	45,302	45,900	45,900	0.0%
<b>Total</b>	<b>\$2,911,215</b>	<b>\$4,252,487</b>	<b>\$4,320,872</b>	<b>\$4,201,082</b>	<b>\$4,400,000</b>	<b>4.7%</b>

From a historical perspective, the office receives the largest portion of its revenues from licensing, followed by fines and forfeitures. The Office of Consumer Affairs currently collects permits & licenses revenues from home improvement contractors, taxi & limousine drivers and ATM vendors. Trailing the previously detailed revenue sources in terms of collections is state aid. The state aid revenues represent monies paid to the Weights & Measures division for State mandated functions. The Weights & Measures division receives reimbursement for all expenses related to measuring gasoline quality. These dollars are fully reimbursable and capped by the State.

REVENUE BUDGET						
Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.
BC Permits & Licenses	\$6,742,450	\$3,390,766	\$3,553,900	\$3,553,900	(\$3,188,550)	\$163,134
BD Fines & Forfeitures	620,000	763,645	800,000	800,000	180,000	36,355
BF Rents & Recoveries	0	145	0	0	0	(145)
BH Department Revenues	200	626	200	200	0	(426)
SA State Aid - Reimbursable	45,900	45,900	45,900	45,900	0	0
<b>Grand Total</b>	<b>\$7,408,550</b>	<b>\$4,201,082</b>	<b>\$4,400,000</b>	<b>\$4,400,000</b>	<b>(\$3,008,550)</b>	<b>\$198,918</b>

The proposed 2008 revenue budget for Consumer Affairs shows a decrease of \$3.0 million or 40.6% from the adopted FY 07 budget. This decrease is due primarily to the fact that the State enabling legislation required for the licensing of plumbers and electricians never passed. The FY 08 budget is achievable and does not include these revenues. The Office had expected to receive approximately \$2.0

million from that initiative. Also, contributing to the revenue shortfall is a decline in taxi and limousine registrations. The 2008 revenue budget for taxi and limousine registration fees is \$650,000. This may be optimistic given that 2007 taxi & limousine registration fees are projected to be \$281,567. The chart below details the Consumer Affairs permits & licenses revenue by its component parts. The 2008 revenue budget for ATM registration fees is \$33,000. This budget allocation may be low given that ATM registration fees are projected to be \$66,104 in 2007. The Office of Consumers Affairs has the authority 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 chart below itemizes the component parts of Consumer Affairs permits & licenses revenues.

<b>Permits &amp; Licenses</b>	<b>Actual 2006</b>	<b>OLBR 2007</b>	
		<b>Projection</b>	<b>Proposed 2008</b>
Home Improvement License Fees	\$1,730,614	\$2,247,410	\$2,045,900
Weights and Measures Fees	809,685	795,685	825,000
Taxi and Limo Registration Fee	940,305	281,567	650,000
ATM Registration Fee	12,160	66,104	33,000
<b>Total</b>	<b>\$3,492,764</b>	<b>\$3,390,766</b>	<b>\$3,553,900</b>

As mentioned previously, it is beneficial that the 2008 Consumer Affairs revenue budget does not include any revenues which require the passage of legislation. As such, it is possible that 2008 permits & licensing revenues will exceed budget if all pending legislation is passed. The Office of Consumer Affairs is still seeking the authority to license plumbers and electricians. It is possible that the proposed local legislation to license locksmiths could result in additional, unbudgeted permits & licenses revenues. The multi-year plan holds all Consumer Affairs revenues constant at the proposed FY 08 levels. Thus, a positive variance could emerge in the out-years if all pending legislative proposals are passed.

Compared to the 2007 projection, the 2008 budget incorporates a 4.8% increase in fines and forfeitures and constant State aid payments.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	34	39	37	40	43	7.5%
Salaries	\$1,887,164	\$2,165,929	\$2,305,236	\$2,486,449	\$2,649,682	6.6%
Misc OTPS	60,212	15,299	29,875	23,500	24,650	4.9%
<b>Total</b>	<b>\$1,947,376</b>	<b>\$2,181,228</b>	<b>\$2,335,111</b>	<b>\$2,509,949</b>	<b>\$2,674,332</b>	<b>6.5%</b>

Salaries are the largest expense item for the Office of Consumer Affairs. Salaries constitute 99.1% of total 2008 budgeted expenses. Over the past five years the office has increased its headcount by nine. While Consumer Affairs salary costs have been rising, the office's OTPS costs have been declining. Over the past five years, the office's OTPS costs have fallen \$35,562 or 59.1%.



<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
AA	Salaries	\$2,466,823	\$2,486,449	\$2,649,682	\$2,649,682	\$182,859	\$163,233
BB	Equipment	16,641	8,641	4,100	4,100	(12,541)	(4,541)
DD	General Expenses	22,859	14,859	20,550	20,550	(2,309)	5,691
	<b>Total OTPS</b>	<b>39,500</b>	<b>23,500</b>	<b>24,650</b>	<b>24,650</b>	<b>(14,850)</b>	<b>1,150</b>
	<b>Grand Total</b>	<b>\$2,506,323</b>	<b>\$2,509,949</b>	<b>\$2,674,332</b>	<b>\$2,674,332</b>	<b>\$168,009</b>	<b>\$164,383</b>

The Executive 2008 Consumer Affairs expense budget is rising 6.7% from the Adopted 2007 Budget. The increase is solely a function of higher salary costs, as equipment and general expense costs are declining. Within the equipment budget, the elimination of information technology and communication equipment costs is causing the overall equipment budget to decrease. The IT Department will now be purchasing and supplying Consumer Affairs with its requisite IT equipment. In the general expenses budget, decreases in traveling expenses, educational & training supplies, and investigative expenses are contributing to the budgeted fall in general expenses.

<b>Office of Consumer Affairs Staffing Analysis</b>							
	<b>FY 07 <u>Adopted</u></b>	<b>Sept-07 <u>Actual</u></b>	<b>FY 08 <u>Request</u></b>	<b>FY 08 <u>Executive</u></b>	<b>Exec. vs <u>07 Adopt</u></b>	<b>Exec. vs <u>Actual</u></b>	
Full-time Staffing	48	40	43	43	(5)	3	
Part-time and Seasonal	11	4	11	11	0	7	

Compared to the September 2007 actual, the 2008 Consumer Affairs salary line is increasing to enable it to hire three new full-time employees and seven new part-time and seasonal employees. These positions are funding for the entire years. The titles for the vacant full-time positions are Clerk Typist I Bilingual, Clerk Typist I and Consumer Affairs Investigator I. The titles for the vacant part-time and seasonal positions are Clerk I seasonal and Clerk I part-time. The higher salary line appears sufficient to allow the office to fill all the vacant positions.

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## COORDINATION AGENCY FOR SPANISH AMERICANS (CASA)

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Created in 1971, the agency has been under the auspices of the County Executive Office since 1977. Hispanic Americans represent a growing portion of the County population. 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 and 8,000 clients each year. The agency also serves as the default agency for Haitian and Asian enclaves. These two groups follow the Latino population as the fastest growing ethnic groups in the nation.

CASA has exceeded its FY 07 targets for Citizenship applications. The office has a desire to expand its services and provide onsite classes to prepare people for citizenship exams.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	6	5	6	6	8	33.3%
Salaries	\$335,819	\$298,579	\$359,864	\$370,256	\$448,884	21.2%
Misc OTPS	9,314	5,979	2,982	9,208	6,100	-33.8%
Contractual Services	0	34,000	(34,000)	90,000	50,000	-44.4%
<b>Total</b>	<b>\$345,133</b>	<b>\$338,558</b>	<b>\$328,846</b>	<b>\$469,464</b>	<b>\$504,984</b>	<b>7.6%</b>

The chart above shows actual expenditures for CASA since FY 04, a projected amount for FY 07 and the proposed budget for FY 08. Full-time headcount has remained relatively level during this period. Since FY 06 the agency has been authorized for eight full-time positions. Historically salaries have been the major portion of the department's expense. The FY 08 contractual services budget is lower than the FY 07 amount. The credit of \$34,000 in FY 06 is the result of a disencumbrance of funds.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$437,780	\$370,256	\$448,884	\$448,884	\$11,104	\$78,628
BB	Equipment	4,379	3,496	0	0	(4,379)	(3,496)
DD	General Expenses	9,520	5,712	6,100	6,100	(3,420)	388
DE	Contractual Services	90,000	90,000	50,000	50,000	(40,000)	(40,000)
	<b>Total OTPS</b>	103,899	99,208	56,100	56,100	(47,799)	(43,108)
	<b>Grand Total</b>	<b>\$541,679</b>	<b>\$469,464</b>	<b>\$504,984</b>	<b>\$504,984</b>	<b>(\$36,695)</b>	<b>\$35,520</b>

The FY 08 Executive budget is decreasing by 6.8% or \$36,695. That is the net result of a decrease in all OTPS lines totaling \$47,799, or 46.0%, and a slight increase in salary expense of \$11,104. The FY 08 Executive budget is increasing by \$35,520 from the FY 07 projection. The FY 08 contractual services budget has been reduced by \$40,000. According to the agency this cut was an alternative to a reduction in staff. The agency is currently working on an emergency preparedness program involving 65 faith based organizations through the contracts line. The goal of the program is to institute an alert mechanism to the entire Spanish speaking community in the event of a natural disaster. This program may be discontinued as a result of the contract line reduction. The FY 08 Salaries budget is \$78,628 more than the FY 07 projection due to actual staffing below authorized headcount.

<b>Coordination Agency for Spanish Americans (CASA) Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	8	6	8	8	0	2
Part-time and Seasonal	1	1	1	1	0	0

The FY 08 Executive Budget mirrors the FY 07 Adopted Budget of eight full-time positions and one part-timer. Currently the department has six full-time employees on board, a variance of two from the FY 07 budget. The department is in the process of hiring an Assistant Director and Community Outreach Worker.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Rents & Recoveries	\$0	\$178	\$0	\$0	\$0	0.0%
Department Revenues	24,935	25,060	18,312	20,000	25,000	25.0%
<b>Total</b>	<b>\$24,935</b>	<b>\$25,238</b>	<b>\$18,312</b>	<b>\$20,000</b>	<b>\$25,000</b>	<b>25.0%</b>

The previous chart shows revenues realized by the agency since FY 04. Departmental revenues consist of fees for services such as document translation, filing immigration forms etc. The FY 08 budget for departmental revenues is in line with historical trends.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted</b>	<b>OLBR</b>	<b>FY 08</b>	<b>FY 08</b>	<b>Variance</b>	<b>Variance</b>
	<b>FY 07</b>	<b>FY 07</b>	<b>Dept.</b>	<b>Exec.</b>	<b>Exec. vs</b>	<b>Exec. vs</b>
	<b>Budget</b>	<b>Projection</b>	<b>Request</b>	<b>Budget</b>	<b>Adopted 07</b>	<b>FY 07 Proj.</b>
BH Departmental Revenue	\$25,000	\$20,000	\$25,000	\$25,000	\$0	\$5,000

CASA charges fees for document translation, citizen application, visa extensions, and petitions for relatives, to name a few. A detailed fee schedule is available on the next page. Department revenue is projected to fall short of the FY 07 budget by 20.0% or \$5,000. This is due to several factors: the ineligibility for a State grant which was anticipated in FY 07 and lack of staff. In addition, the office routinely waives fees for constituents who demonstrate suitable financial need. This is done as a gesture of goodwill and helps the office strengthen relationships with the community it serves. The FY 08 Executive Budget is the same as the FY 07 budget. The office believes it can make up for the lost grant through a few operational innovations in the office. A greater attention is placed on client based services which have fees attached. The agency has also improved its appointment system by seeking confirmation from clients two days prior to the appointment. The office feels these changes will reduce “no shows” and increase the number of clients served.

<b>C.A.S.A. Fee Schedule</b>	
<b>Description</b>	<b>Price</b>
Biography	\$25
Inquiry about Status of Alien Card	\$25
Lost or Expired Alien Card	\$25
Petition for a Fiance	\$60
Petition for Relative	\$60
Application for Travel Document	\$50
Affidavit of Support & Letter Invitation	\$25
Adjustment Status	\$50
Extension of Visa	\$25
Employment Authorization	\$25
TPS Application	\$50
Approved Application Action	\$25
Action on an Approved Application	\$25
First Affidavit	\$100
Each Additional Affidavit	\$50
File Declaration of Intention	\$25
Request for Hearing on the Decision in Naturalization	\$25
Citizenship	\$25
Child Certification of Citizenship	\$25
Adopted Child Certification of Citizenship	\$25
Other Immigration Forms	\$25 - \$35
Change of Status Letter or Others	\$25
Translate Resume	\$50
Translate Advertisement	\$25 - \$50
Translate Flyers	\$25
Translate Newsletters/Brochures	\$50 - \$100
Translate Miscellaneous	\$5 - \$20

## NASSAU COUNTY CORRECTIONAL CENTER

The average inmate population increased by 1.8% in 2006 and it is anticipated to increase by 7.6% in 2007. In 2008 the population is anticipated to remain at the same level as the 2007 projected population. The number of federal inmates housed was 152 for 2006, a 28.0% decrease from 2005 due to the opening of the Queens Private Detention Facility, which has been housing inmates since 2005. The estimate for 2007 is slightly higher at 159. However, the department anticipates a future increase of federal inmates in 2008 from the influx of federal prosecutors in the northeast area.

<u>ACTIVITY INDICATORS</u>				
<u>INDICATOR</u>	<u>ACTUAL 2005</u>	<u>ACTUAL 2006</u>	<u>ESTIMATED 2007</u>	<u>PROJECTED 2008</u>
Average Daily Inmate Population	1,581	1,609	1,730	1,730
Total Admissions	10,485	11,788	12,400	12,400
<u>Revenue Generating Indicators</u>				
Federal Inmates	211	152	159	185
State Ready Inmates	15	15	19	15
Parole Violators	47	49	39	40

Source: Correctional Center

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	1,179	1,203	1,225	1,230	1,329	8.0%
Salaries	\$113,439,621	\$112,518,355	\$120,918,073	\$123,646,400	\$117,252,222	-5.2%
Fringes	0	0	0	0	1,810,935	*****
Misc OTPS	4,783,559	4,732,658	4,835,687	4,834,203	5,024,350	3.9%
Contractual Services	26,145,574	25,749,905	27,959,393	25,800,000	25,659,458	-0.5%
<b>Total</b>	<b>\$144,368,754</b>	<b>\$143,000,918</b>	<b>\$153,713,153</b>	<b>\$154,280,603</b>	<b>\$149,746,965</b>	<b>-2.9%</b>

The department's expenses dropped 0.9% in 2005 due to decreased medical costs in contractual savings and decreased overtime usage in salaries. Expenses increased in 2006, despite lower medical expenses, due to increased salaries. Salaries increased in 2006 with the increasing headcount. In addition, in 2005 the accrued expense for the Sheriff Officers' Association's (ShOA) cost of living (COLA) increase was elsewhere in the General Fund and in 2006 it was accounted for in the Correction's salary expense.

OLBR is projecting an increase of 0.4% in FY 07, due to increases in salaries for COLA assumptions offset by a lower contractual services estimate. The budget does not appear to be sufficient to cover the costs for an increase in full-time headcount of 99 plus COLA increases for ShOA and CSEA. There is the potential for a windfall if ShOA agrees to a contract that costs less for FY 05-FY 07 than what has been accrued for in those years. Please see below for a more detailed discussion. The FY 08 proposed budget includes \$1.8 million in fringe benefits which is attributable to the inclusion of workers compensation costs.

### EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs FY 07	Variance Exec. vs Request
10	Correctional Center	\$135,684,315	\$144,265,455	\$143,714,043	\$8,029,728	(\$551,412)
20	Sheriff	5,556,528	6,052,049	6,032,922	476,394	(19,127)
<b>Total</b>		<b>\$141,240,843</b>	<b>\$150,317,504</b>	<b>\$149,746,965</b>	<b>\$8,506,122</b>	<b>(\$570,539)</b>

The majority of the FY 08 proposed budget, 96%, comes from the Correctional Center with a \$143.7 million budget. The Sheriff's office is budgeted at \$6.0 million for 2008.

### EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$113,879,445	\$123,646,400	\$117,722,761	\$117,252,222	\$3,372,777	(\$6,394,178)
AC	Workers Compensation	0	0	1,810,935	1,810,935	1,810,935	1,810,935
	<b>Total PS</b>	<b>113,879,445</b>	<b>123,646,400</b>	<b>119,533,696</b>	<b>119,063,157</b>	<b>5,183,712</b>	<b>(4,583,243)</b>
BB	Equipment	128,435	103,507	38,500	38,500	(89,935)	(65,007)
DD	General Expenses	4,146,616	4,087,616	4,390,400	4,290,400	143,784	202,784
DE	Contractual Services	22,436,347	25,800,000	25,659,458	25,659,458	3,223,111	(140,542)
DF	Utility Costs	650,000	643,080	695,450	695,450	45,450	52,370
	<b>Total OTPS</b>	<b>27,361,398</b>	<b>30,634,203</b>	<b>30,783,808</b>	<b>30,683,808</b>	<b>3,322,410</b>	<b>49,605</b>
	<b>Grand Total</b>	<b>\$141,240,843</b>	<b>\$154,280,603</b>	<b>\$150,317,504</b>	<b>\$149,746,965</b>	<b>\$8,506,122</b>	<b>(\$4,533,638)</b>

The FY 08 budget is \$4.5 million lower than the FY 07 projected actual and over the FY 07 Adopted Budget by \$8.5 million. The 2007 projected actual includes compounded COLA increases for ShOA salaries in 2005, 2006 and 2007. It does not include \$5.1 million in savings expected from a new ShOA agreement. After a declaration of impasse and unsuccessful mediation sessions, the Public Employees Relations Board ("PERB") has appointed Howard Edelman as fact finder to the negotiations. The parties are currently in the fact finding process. Overtime is also projected to be over budget by \$2.9 million in 2007 prior to the inclusion of COLA increases.

OLBR projects the department will have a shortfall in the 2008 salary budget of about \$6.1 million. Included in the projected salary expense are annual COLA increases for ShOA and CSEA employees. It does not include \$7.0 million budgeted for ShOA contract savings (\$5.3 in departmental salaries and \$1.7 in fringe) but it does include a net \$3.1 million in overtime savings. If an agreement that provides savings when compared to the accrued cost is passed in 2007 or early 2008, some of the savings could be realized in FY 08. However, as time goes on, saving becomes more difficult as many of the items that produce savings (i.e. overtime denominator) can not be retroactive while the costs like COLA increases can be retroactive.

The department expects to save \$5.2 million in overtime costs from the employment of 85 additional Correction Officers, which will be offset by the salary cost of these officers. The officers are budgeted at \$25,000 each in 2008, for a total base salary cost of \$2.1 million. In addition, the department is looking into the possibility of increasing the workday for new officers in an effort to move them through the training period quicker. 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, contractual obligations and management. Even with the inclusion of the \$5.2 million in savings, the overtime budget is projected to be short by about \$3.1 million when COLA increases are included.

The expired ShOA contract calls for civilianizing 55 non-security positions. In 2005 there were 10 positions filled with civilians that actually sent officers back into security followed by 8 civilianized positions in 2006. Another 10 positions have been civilianized in 2007. As more positions are civilianized the department should be able to save on overtime since more officers will be available for security where most of the overtime is used.

OTPS FY 08 budgeted expenses are expected to increase by \$3.3 million over the FY 07 budget but basically remain flat with OLBR's FY 07 projected actual. The major portion is related to contractual services costs, which make up 83.6% of the total FY 08 OTPS budget. Contractual services are increasing by \$3.2 million from the 2007 budget due to an increase in costs associated with medical/psychiatric services. In 2006, the Administration reduced the department's request by \$4.5 million for costs associated with medical/psychiatric services. The agreement at the time with the Nassau University Medical Center included a 21% subsidy charge for services provided to inmates. The Administration planned to enter into a new agreement (the Successor Agreement) with NUMC that would have eliminated the charge. The Administration has stated that the additional funds in 2008 are not for this subsidy but for increases in the costs of medical services. Therefore, if the successor agreement does not eliminate the subsidy charge or create another funding source, there is about a \$4.5 million risk.

General expenses are increasing from the FY 07 budget and the projected actual by \$143,784 and \$202,784 respectively. Equipment is decreasing by \$65,007 from the 2007 projected actual due to lower budgeted building equipment costs. Utility costs are increasing from FY 07 by about 7%.



**Nassau County Correctional Center  
Staffing Analysis**

	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Correctional Center						
Uniform	1,051	1,042	1,134	1,134	83	92
Civilian	<u>137</u>	<u>131</u>	<u>134</u>	<u>134</u>	<u>(3)</u>	<u>3</u>
Sub-total Full-Time	1,188	1,173	1,268	1,268	80	95
20 Sheriff						
Uniform	45	46	49	49	4	3
Civilian	<u>13</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>(1)</u>	<u>1</u>
Sub-total Full-Time	58	57	61	61	3	4
<b>Total Full-time</b>	<b><u>1,246</u></b>	<b><u>1,230</u></b>	<b><u>1,329</u></b>	<b><u>1,329</u></b>	<b><u>83</u></b>	<b><u>99</u></b>
<b>CC Part-time and Seasonal</b>						
10 Correctional Center	5	10	7	7	2	(3)
20 Sheriff	0	4	4	4	4	0
<b>Total Part-time and Seasonal</b>	<b><u>5</u></b>	<b><u>14</u></b>	<b><u>11</u></b>	<b><u>11</u></b>	<b><u>6</u></b>	<b><u>(3)</u></b>

Full-time staffing in the Correctional Center is budgeted to increase from the September 1, 2007 actual by 99 positions. In January, 2008, the department is expecting a new academy class of 85 sworn officers to come on board. Additionally, the department plans to add four stock assistant positions. The part-time and seasonal positions are budgeted to increase from the 2007 budget by six positions and decrease from the September 1, 2007 actual by three.

**Historical Revenue**

	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Actual</u>	<u>FY 07 Projected</u>	<u>FY 08 Exec.</u>	<u>% Change Proj./Exec.</u>
Fines & Forfeits	\$68,662	\$44,619	\$53,376	\$55,000	\$60,000	9.1%
Rents & Recoveries	213,640	3,107,249	872,018	910,750	1,869,000	105.2%
Department Revenues	1,308,121	1,376,741	2,328,806	2,400,000	2,360,000	-1.7%
Interdepartmental Rever	562,333	488,035	232,313	120,000	120,000	0.0%
Interfund Charges	0	12,944	0	0	0	0.0%
Federal Aid	20,083,122	15,522,565	13,575,414	12,825,775	13,877,925	8.2%
State Aid	969,248	1,063,666	1,079,308	1,150,000	1,172,200	1.9%
<b>Total</b>	<b>\$23,205,126</b>	<b>\$21,615,819</b>	<b>\$18,141,235</b>	<b>\$17,461,525</b>	<b>\$19,459,125</b>	<b>11.4%</b>

The department experienced decreasing revenues from 2004 through 2007 due to decreasing federal aid. The fluctuation throughout the years is due to the number of federal inmates housed at the jail, for which the Department receives \$165 per day per inmate. As previously stated, the number of federal inmates has gone down recently due to the opening of a facility in Queens. Fluctuations in these years are also due to non-recurring spikes in rents and recoveries. Department revenues increased by about \$1.0 million beginning in 2006 due to the transfer of the inmate telephone usage commission from the Information Technology department to Corrections.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>	
BD Fines & Forfeitures	\$55,000	\$55,000	\$60,000	\$60,000	\$5,000	\$5,000	
BF Rents & Recoveries	50,000	910,750	1,869,000	1,869,000	1,819,000	958,250	
BH Departmental Revenue	2,000,000	2,400,000	2,360,000	2,360,000	360,000	(40,000)	
BJ Interdepartmental Revenue	120,000	120,000	120,000	120,000	0	0	
FA Federal Aid	9,783,750	12,825,775	13,877,925	13,877,925	4,094,175	1,052,150	
SA State Aid	1,150,000	1,150,000	1,172,200	1,172,200	22,200	22,200	
<b>Total</b>	<b>\$13,158,750</b>	<b>\$17,461,525</b>	<b>\$19,459,125</b>	<b>\$19,459,125</b>	<b>\$6,300,375</b>	<b>\$1,997,600</b>	

The proposed FY 08 revenue budget for the Correctional Center is \$19.5 million, up \$6.3 million from the FY 07 budget and up \$2.0 million from the projected actual. Increases in federal aid and rent and recoveries are the primary reasons for the escalation. During the adoption of the FY 07 budget the Administration believed that the federal government was going to discontinue reimbursements related to the State Criminal Alien Assistance Program. The program provides federal assistance for costs associated with incarcerating undocumented aliens. However, the program was not discontinued and the associated funds are included in our 2007 projection as well as the 2008 proposed budget. The FY 08 budget for this program includes \$1.7 million in reimbursements. The department also expects an increase of \$2.1 million over the 2007 budget in federal revenue related to the reimbursement the County receives for housing federal inmates. The department is averaging 159 federal inmates through September 2007 but projects housing 185 federal inmates in 2008. Therefore the FY 08 budget based on this projection may be at risk.

Our office is projecting a surplus of \$400,000 in departmental revenues due to higher than budgeted sheriff seizures and poundage revenue. The FY 08 budget is slightly lower than OLBR's projected actual for FY 07. State aid is increasing slightly from the FY 07 adopted and projected actual for increased reimbursement related to increased Title 4D (aid to dependent children) activities.

Interdepartmental revenues for 2007 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 \$60,000 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.

Rents and recoveries is increasing by \$1.8 million for providing mental health services to inmates who are Medicaid recipients.

### **Out-Year Initiatives**

The following out-year initiative has been included in the FY 08 – 11 Multi-Year Financial Plan.

<b>NAME</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Electronic Court Appearances	\$500,000	\$520,000	\$540,800

The **electronic court appearances** initiative uses audio/video technology to allow inmates to participate in court proceedings or to meet with their attorneys via teleconferencing. It is anticipated that overtime can be reduced as the number of inmates transported to hearings and attorney conferences at District Court are reduced. There is some risk as the initiative would require a legislative amendment to the Criminal Procedure Law and approval is required by the Office Court of Administration. Revenue is not anticipated until 2009 due to the time it takes to set up the system, based on the experience of New York City.

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. However, in FY 08 the Administration plans to transfer the financial management of many of the workers' compensation transactions to the Risk Management unit within the Office of Management and Budget (OMB).

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 RFP's, 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. In regards to the medical malpractice cases the County is only representing the Nassau University Medical Center (NUMC) in cases that initiated prior to the transfer in ownership to the public benefit corporation. Once these cases are completed the County will no longer represent NUMC.

The Workers' Compensation Bureau historically oversaw the processing of claims in all the County's workers' compensation cases and worked closely with Triad, a third party administrator (TPA), to provide strategies for claims administration and assist employees return to work. However as mentioned earlier, this will be performed by Risk Management in the future. The bureau will continue to review each case and determine which matters will be controverted before the Board.

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>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	152	157	148	153	155	1.3%
Salaries	\$9,621,407	\$10,484,469	\$10,612,769	\$11,532,114	\$12,260,600	6.3%
Fringes	19,182,404	18,938,576	21,192,760	19,369,050	0	-100.0%
Misc OTPS	2,304,919	(431,748)	2,204,692	699,967	776,651	11.0%
Contractual Services	5,642,743	3,559,496	4,160,596	4,118,000	3,236,350	-21.4%
<b>Total</b>	<b>\$36,751,473</b>	<b>\$32,550,794</b>	<b>\$38,170,817</b>	<b>\$35,719,131</b>	<b>\$16,273,601</b>	<b>-54.4%</b>

The County Attorney’s Office 11.4% decline in FY 05 compared to the previous year mainly due to a reduction in miscellaneous other than personal services. In FY 06 expenditures rose by 3.9% as a result of higher workers’ compensation costs. In FY 07, OLBR is projecting a 6.4% decrease in expenses due to lower workers’ compensation expenses and the transfer of suit and damages’ costs to the Miscellaneous department. The County Executive FY 08 budget proposes a 54.4% reduction in expenditures resulting from the transfer of workers’ compensation costs from the County Attorney’s Office to OMB.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$10,701,766	\$11,532,114	\$12,260,600	\$12,260,600	\$1,558,834	\$728,486
AB	Fringe Benefits	20,019,050	19,369,050	0	0	(20,019,050)	(19,369,050)
	<b>Total PS</b>	<b>30,720,816</b>	<b>30,901,164</b>	<b>12,260,600</b>	<b>12,260,600</b>	<b>(18,460,216)</b>	<b>(18,640,564)</b>
BB	Equipment	42,587	38,862	43,119	43,119	532	4,257
DD	General Expenses	724,476	661,105	733,532	733,532	9,056	72,427
DE	Contractual Services	3,418,000	4,118,000	3,236,350	3,236,350	(181,650)	(881,650)
	<b>Total OTPS</b>	<b>4,185,063</b>	<b>4,817,967</b>	<b>4,013,001</b>	<b>4,013,001</b>	<b>(172,062)</b>	<b>(804,966)</b>
	<b>Grand Total</b>	<b>\$34,905,879</b>	<b>\$35,719,131</b>	<b>\$16,273,601</b>	<b>\$16,273,601</b>	<b>(\$18,632,278)</b>	<b>(\$19,445,530)</b>

The FY 08 budget is decreasing significantly by \$18.6 million from \$34.9 million in FY 07 to \$16.3 million due to the removal workers’ compensation. In FY 08, fringe benefits’ costs that have been historically shown in the County Attorney’s Office will be reflected in OMB’s budget resulting from the

workers' compensation change in policy discussed above. The costs for workers' compensation have been transferred from the County Attorney's budget, into the Office of Management and Budget, the Correctional Center, Public Works and the Police Department.

The FY 08 budget for salaries is increasing by \$1.6 million to \$12.3 million due to additional Deputy County Attorneys compared to the FY 07 budget. The salary budget also includes a cost of living adjustment (COLA) and step increases for CSEA union employees. In FY 07, OLBR is projecting salaries to exceed the FY 07 budget by \$0.8 million primarily due to unbudgeted salary increases for ordinance employees and the staffing of five unbudgeted full-time positions. The additional full-time employees were used for legal support in the Department of Public Works, Physically Challenged, the Police Department, and the Office of Consumer Affairs. Additional support was also need to handle Medicaid fraud cases.

The FY 08 budget for general expenses of \$736,000 includes postage, traveling, copying, educational and training and investigative expenses. The FY 08 budget for contractual services is decreasing minimally by \$182,000 to \$3.2 million. FY 07 contractual services' costs projected at \$4.1 million are estimated to exceed the FY 07 adopted budget by \$0.7 million chiefly resulting from the new contract with Triad. The Administration extended its contract with Triad for an additional two years which will expire in May, 2009. As a result, in FY 07 the County encumbered \$650,000 for services rendered by Triad. The FY 08 proposed budget is lower than OLBR's FY 07 projection by \$0.9 million mainly due to the transfer of the workers' compensation transactions mentioned above. In FY 08, the costs associated with the Triad contract will be reflected in OMB.

If the workers' compensation cost was excluded from our projection the FY 08 contractual services budget would increase by \$0.3 million. The \$3.2 million budget includes specialized attorney contracts for bond counsel and tax counsel. The budget also includes specialized legal services for litigation surrounding the construction of the Nassau County Aquatic Center ('NCAC'). The County has initiated litigation in an attempt to recover a portion of the NCAC construction costs. Another major component includes services provided by ProLaw. ProLaw is a software application that is utilized to automate the department's case management system. The Administration expects to install the case management system to the Family Court bureau in 2008.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>					
<b>Control Center</b>	<b>Adopted FY 07 Budget</b>	<b>Departmental Request FY 08</b>	<b>Executive FY 08</b>	<b>Variance Exec. vs FY 07</b>	<b>Variance Exec. vs Request</b>
10 County Attorney	\$14,436,829	\$16,273,601	\$16,273,601	\$1,836,772	\$0
20 Workers' Comp.	20,469,050	0	0	(20,469,050)	0
<b>Total</b>	<b>\$34,905,879</b>	<b>\$16,273,601</b>	<b>\$16,273,601</b>	<b>(\$18,632,278)</b>	<b>\$0</b>

The County Attorney control center has an increase of \$1.8 million is due to increased salary expenses. There are no costs included in the Workers' Compensation control center as a result of the transfer of workers' compensation transactions previously discussed.

**County Attorney  
Staffing Analysis**

	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	148	153	155	155	7	2
Part-time and Seasonal	0	1	6	6	6	5

The County Attorney Office's currently has five full-time positions over the FY 07 budget. The proposed budgeted headcount for the County Attorney's Office will include two additional full time Deputy County Attorneys and five seasonal Law Assistants. The Office indicated that the additional staff consisted of Deputy County Attorneys and temporary Law Assistants. The Deputy County Attorneys will provide services in Physically Challenged, Public Works, Consumers Affairs and Police Departments and prosecute Medicaid fraud cases.

**Historical Revenue**

	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Actual</u>	<u>FY 07 Projected</u>	<u>FY 08 Exec.</u>	<u>% Change Proj./Exec.</u>
Fines & Forfeits	\$0	\$15,450	\$6,100	\$10,000	\$10,000	0.0%
Rents & Recoveries	7,385,651	937,107	1,072,196	2,810,000	1,300,000	-53.7%
Department Revenues	122,417	100,575	70,590	90,864	2,091,500	2201.8%
Interfund Charges	0	0	646,066	0	0	*****
Federal Aid	(23,575)	153,787	24,000	228,375	228,375	0.0%
State Aid	(6,071)	39,583	5,000	61,200	61,200	0.0%
<b>Total</b>	<b>\$7,478,422</b>	<b>\$1,246,502</b>	<b>\$1,823,952</b>	<b>\$3,200,439</b>	<b>\$3,691,075</b>	<b>15.3%</b>

In FY 04 the County recovered one time funding from the BPA restitution; as a result there is a significant reduction in FY 05 rents and recoveries. In FY 06 the department realized interfund revenue charges of \$646,000. In FY 07 OLBR is projecting a 75.5% increase in revenues as result of higher than budgeted rents and recoveries. The LIPA Glenwood Landing settlement has contributed to the projection. Finally, the proposed budget is 15.3% higher than OLBR's FY 07 projection due to the Affirmative Litigation Initiative located in department revenues.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BD	Fines & Forfeits	\$10,000	\$10,000	\$10,000	\$10,000	\$0	\$0
BF	Rents and Recoveries	2,810,000	2,810,000	1,300,000	1,300,000	(1,510,000)	(1,510,000)
BH	Department Revenues	75,000	90,864	2,091,500	2,091,500	2,016,500	2,000,636
BJ	Interdepartmental Revenues	10,023,236	10,023,236	3,653,627	3,653,627	(6,369,609)	(6,369,609)
FA	Federal Aid	228,375	228,375	228,375	228,375	0	0
SA	State Aid	61,200	61,200	61,200	61,200	0	0
<b>Total</b>		<b>\$13,207,811</b>	<b>\$13,223,675</b>	<b>\$7,344,702</b>	<b>\$7,344,702</b>	<b>(\$5,863,109)</b>	<b>(\$5,878,973)</b>

The proposed revenue budget for FY 08 is \$5.9 million lower than the FY 07 budget and the FY 07 projection, primarily due to the transfer of the workers' compensation transactions. If such transactions were excluded, the Administration would be proposing a \$2.1 million increase compared to the FY 07 budget. The increases consist of increases of \$2.0 million in department revenues and, \$1.6 million in interdepartmental revenue offset by a reduction of \$1.5 million in rents and recoveries.

Excluding workers' compensation, the \$1.6 million increase in interdepartmental revenue is due to providing additional legal services to the various departments within the County. Interdepartmental revenue budgeted at \$3.7 million represents charge-backs to 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.

In FY 07, OLBR is projecting rents and recoveries revenue at \$2.8 million, aligned with the FY 07 budget. The FY 08 budget of \$1.3 million is a decrease of \$1.5 million from the current year. The decline is due to the \$2.0 million removal of recovery from workers' compensation costs. Excluding this recovery, the proposed budget is an increase of \$500,000. The additional revenue is due to the anticipated criminal restitution initiative. The County Attorney's Office is planning to recover this revenue from probationers who have not paid assessed fines and or court judgments.

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 06 Actual</b>	<b>FY 07 Budget</b>	<b>FY 07 Projected</b>	<b>FY 08 Proposed</b>
R0801 -Miscellaneous Receipts	\$6,274	\$10,000	\$10,000	\$2,006,500
R0808 - Fees	29,750	25,000	25,000	25,000
R0813 - Contractual Services	34,566	40,000	40,000	25,000
R9847 - Restitution Surcharge	0	0	8,469	10,000
R984A - Criminal Restitution	0	0	7,395	25,000
	<b>\$70,590</b>	<b>\$75,000</b>	<b>\$90,864</b>	<b>\$2,091,500</b>



The proposed budget for department revenue is significantly increasing by \$2.0 million resulting mostly from the Affirmative Litigation Initiative. The County Attorney's office will pursue litigation against commercial entities that have failed but are required to submit the Annual Survey of Income & Expense (ASIE) form with the Assessor's Office. According to Section 6-30 of the Nassau County Administrative Code, such failure shall make the violator liable to a maximum penalty of \$500. The Administration is assuming that it will secure fines from 4,000 violators at the maximum penalty. In the reporting year of FY 06 the Department of Assessment mailed 18,221 ASIE forms and received 7,258 in response, which results in a 40% compliance rate. In the reporting year of FY 04 and FY 05 there was compliance rate of 19% and 30% respectively.

Departmental revenue also includes miscellaneous receipts, fees, restitution surcharge and criminal restitution. Miscellaneous receipts represents assigned revenue from activities not currently assigned to a specific sub object code. Fees represent fees collected from vendors at the time of contract filing with the County.

Finally, in FY 08 the County Executive is proposing a budget of \$10,000 for fines and forfeits revenue which the department anticipates generating through its vehicle forfeiture proceedings.

OFFICE OF THE COUNTY CLERK

The Nassau County Clerk is the County Registrar and Clerk of the Supreme and County Courts. The office records all real estate transactions and maintains all court records in civil and matrimonial proceedings.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fines & Forfeits	\$181,651	\$212,195	\$277,084	\$407,891	\$400,000	-1.9%
Departmental Revenue	18,530,227	15,947,305	13,940,046	13,056,143	13,000,000	-0.4%
<b>Total</b>	<b>\$18,711,878</b>	<b>\$16,159,500</b>	<b>\$14,217,130</b>	<b>\$13,464,034</b>	<b>\$13,400,000</b>	<b>-0.5%</b>

County Clerk revenues are budgeted on two separate lines, fines & forfeits and departmental revenues. Over the past five years departmental revenues have declined while fine & forfeits revenues have risen. The decline in departmental revenues is a byproduct of the slowdown in the housing market. Roughly 70% of the departmental revenues are directly connected to the buying, financing and selling of real estate. According to Multiple Listing Service of Long Island data, over the past five years, the number of closed transactions in Nassau County has fallen 8.4% while County Clerk departmental revenues have decreased 29.8%. Experts expect this decrease to continue throughout 2008. This decline is incorporated in the executive 2008 budget.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BD Fines & Forfeits	\$200,000	\$407,891	\$400,000	\$400,000	\$200,000	(\$7,891)
BH Departmental Revenue	14,021,000	13,056,143	13,000,000	13,000,000	(1,021,000)	(56,143)
<b>Grand Total</b>	<b>\$14,221,000</b>	<b>\$13,464,034</b>	<b>\$13,400,000</b>	<b>\$13,400,000</b>	<b>(\$821,000)</b>	<b>(\$64,034)</b>

The 2008 County Clerk revenue budget is decreasing 5.8% from the adopted 2007 budget and 0.5% from OLBR's 2007 projection. The decline is attributable to the decrease in departmental revenues. The chart on the following page provides an itemization of all County Clerk departmental revenues. OLBR believes that 2008 departmental revenues budget of \$13,000,000 may be optimistic. It assumes that the housing market maintains its 2007 levels throughout 2008. This goes against expert forecasters. According to the Mortgage Bankers Association, nationwide 2008 mortgage originations are projected to fall 14.4% from their 2007 level. Nassau County is not expected to experience the same decline seen nationwide. Throughout the country, the greatest decreases are expected in the more speculative markets like California, Nevada, Arizona and Florida. Since homes in Nassau County are primarily

owner-occupied, it should not experience a decline as large as that seen throughout the nation.<sup>1</sup> The biggest factors impacting the regional housing market are forecloses, fewer qualified buyers and the increase seen in “jumbo” mortgage interest rates. Higher interest rates for jumbo loans hurt homes sales because they translate into higher costs for borrowers. In high cost areas like Nassau County, jumbo loans are more commonplace and have a more significant impact than that seen throughout the nation. Some home sellers reduce their asking price to make it easier for buyers to get a lower-cost mortgage.<sup>2</sup>

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 06 Actual</b>	<b>FY 07 Budget</b>	<b>FY 07 Projection</b>	<b>FY 08 Exec.</b>
Fees	\$160,387	\$150,000	\$177,749	\$170,000
Court Fees	978,906	960,000	1,327,624	1,192,000
Mortgage Recording Fees	7,631,772	7,800,000	6,656,323	6,940,000
Deed Recording Fees	1,018,850	1,000,000	895,323	885,000
Real Estate Transfer Fees	40,765	38,000	38,046	36,000
Records Management	248,915	250,000	240,706	241,000
Mortgage Exp Reimbursement	1,359,707	1,358,000	1,381,505	1,321,000
Business Name Fee	242,051	200,000	225,793	220,000
Miscellaneous Fees	2,258,694	2,265,000	2,113,074	1,995,000
	<b>\$13,940,047</b>	<b>\$14,021,000</b>	<b>\$13,056,143</b>	<b>\$13,000,000</b>

Holding all non-housing related departmental revenues, court fees, fees, records management, business name fee and miscellaneous fees constant at their 2007 projection level and reducing housing related fees by 3%, implies 2008 departmental revenue budget of \$12,787,007. A 5% housing market decline would correspond to 2008 departmental revenue collections of \$12,607,583. The Mortgage Bankers Association is also forecasting higher mortgage interest rates in 2008. The chart below records the 2008 forecast for the interest rate charged for a 30 year fixed rate mortgage. Higher mortgage interest rates should lead to fewer home sales and lower County Clerk departmental revenues.

<b>Mortgage Bankers Association</b>				
Long-Term Mortgage Finance Forecast				
<b>Interest-Rate</b>				
<b>30-Year Fixed Rate Mortgage</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>2007</b>	6.2%	6.4%	6.6%	6.6%
<b>2008</b>	6.7%	6.8%	6.9%	6.9%
<b>Source:</b> August 24, 2007 MBA Forecast				

<sup>1</sup> Christie, Les, “Flippers Fuel Foreclosures”, [CNN/Money.com](http://CNN/Money.com), August 30, 2007.

<sup>2</sup> Simon, Ruth, “Home Inequity”, [WSJ.com](http://WSJ.com), August 16, 2007.

There currently are two forces at work which would mitigate the predicted decline in departmental revenues. The housing slowdown has resulted in a 78% increase in foreclosure judgments. Although, the recording of these judgments does bring in additional revenue, the fees for foreclosures are significantly lower than those for real property recordings. Moreover, the Clerk is looking to install a pay for print system. Such a system would also provide the Office with greater revenues.

The chart below details the exact fee charged for many of the transactions processed by the Office of the County Clerk:

County Clerk Fees	Deeds	Mortgages & Agreements	Satisfaction of Mortg.	Assignment of Mortg.	Amount
Basic Deed	Yes	-	-	-	\$124.00
Recording Fee	Yes	Yes	Yes	Yes	\$25.00
Per Block Fee	Yes	Yes	Yes	Yes	\$10.00
Per Page	Yes	Yes	Yes	Yes	\$3.00
Endorsement Page	Yes	Yes	Yes	Yes	\$3.00
Equalization & Assessment Fee (RP-5217)	Yes	-	-	-	\$75.00
CPLR 8021 Fee	Yes	-	-	-	\$5.00
NYS Transfer Tax per \$1000	Yes	-	-	-	\$4.00
Equalization & Assessment Fee-other prop.	Yes	-	-	-	\$165.00
Deed-All other property types	Yes	-	-	-	\$214.00
Mortgage Affidavit (if any, in duplicate)	-	Yes	-	-	\$5.00
Cross Reference (each)	-	-	Yes	-	\$0.50
Each additional Satisfaction of Mortgage	-	-	Yes	-	\$3.50
Basic Satisfaction of Mortgage	-	-	Yes	-	\$41.50
Each additional Mortgage Assigned	-	-	-	Yes	\$3.00

Many of the above detailed fees are controlled by state mandate. The state and federal governments receive a portion of the fee collected. In 2006, on average, Nassau County collected \$81.69 for each regular mortgage that it recorded. Over the past five years, the County Clerk has processed an average of 116,508 regular mortgages per year.

<b>Historical Expenditures</b>						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Full-time Headcount	90	99	101	98	106	8.2%
Salaries	\$3,950,128	\$4,475,648	\$4,867,674	\$5,186,558	\$6,017,857	16.0%
Misc OTPS	145,349	195,344	234,945	479,071	524,750	9.5%
Contractual Services	248,449	60,000	28,295	354,375	355,000	0.2%
<b>Total</b>	<b>\$4,343,926</b>	<b>\$4,730,992</b>	<b>\$5,130,914</b>	<b>\$6,020,004</b>	<b>\$6,897,607</b>	<b>14.6%</b>

The chart above depicts the historical expenditures of the Office of the County Clerk. The largest expense item in the County Clerk’s Office is salaries. Salaries account for 87.2% of the total Executive 2008 County Clerk expense budget. Over the past five years, the salary line has grown by \$2.1 million or 52.3%. Simultaneously, departmental headcount has grown by 16 positions. All expense lines have increased over the past five years.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$5,425,383	\$5,186,558	\$6,732,954	\$6,017,857	\$592,474	\$831,299
BB	Equipment	135,184	125,184	153,000	153,000	17,816	27,816
DD	General Expenses	353,887	353,887	371,750	371,750	17,863	17,863
DE	Contractual Services	354,375	354,375	355,000	355,000	625	625
	<b>Total OTPS</b>	843,446	833,446	879,750	879,750	36,304	46,304
	<b>Grand Total</b>	<b>\$6,268,829</b>	<b>\$6,020,004</b>	<b>\$7,612,704</b>	<b>\$6,897,607</b>	<b>\$628,778</b>	<b>\$877,603</b>

The proposed FY 08 budget is increasing by \$628,778, or 10.0%, to \$6.9 million. As mentioned previously, salaries are the biggest expense item. The salary line is growing to accommodate the hiring of an additional 8 full-time workers and 33 part-time and seasonal workers as well as the COLA for the Office’s CSEA staff. It should be noted that the Executive budget includes a salary increase for the County Clerk, who is currently earning \$100,000. The proposed adjustment would raise her salary to \$166,300, which is the amount recommended by the Blue Ribbon Panel that examined the issue of the compensation of Nassau County’s elected officials. However, in a letter dated September 27, 2007, addressed to the leadership of the Legislature, County Executive Suozzi has proposed that the additional funding for the County Clerk, as well the increases for other elected officials, be removed from the salary lines of the individual office holders, and placed in the budget contingency line in the Miscellaneous cost center. He also recommends that a public debate be held on the Blue Ribbon Panel’s proposals “at the next regularly scheduled legislative meeting following the conclusion of the budget process.”

The equipment budget is growing by 13.2% to facilitate the purchase of office furnishings, information technology items and miscellaneous equipment. The general expenses line is increasing by 5.0%. The general expense increase is fueled by increases in the budgets of office supplies & copy paper, educational & training supplies and miscellaneous supplies. The office’s contractual services budget is used to cover the cost of a systems and programming consultant. The previously detailed increased expenditures should enhance the Clerk’s ability to meet her departmental objectives to:

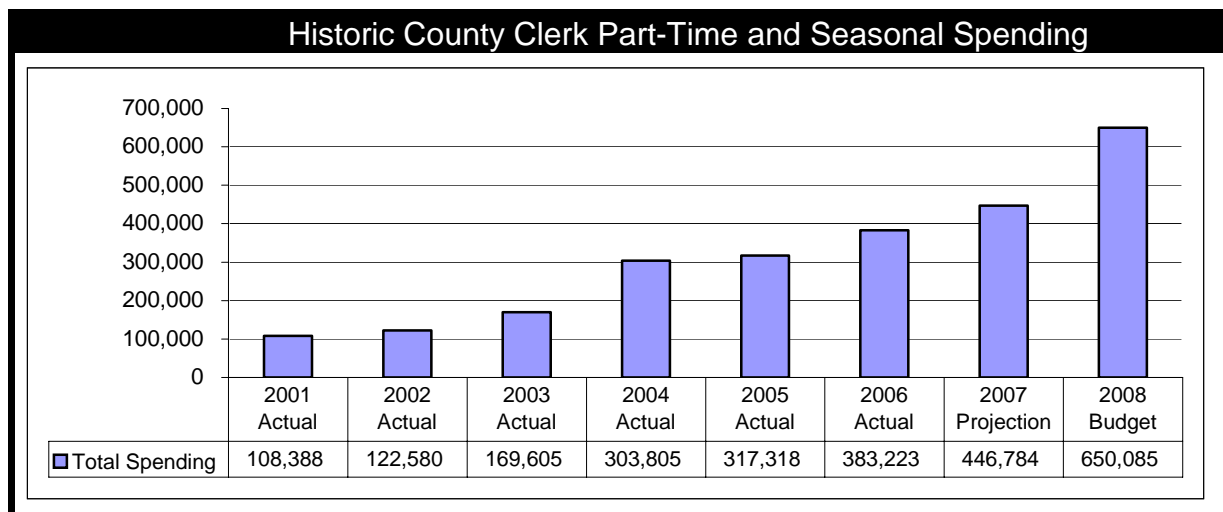
1. increase the number of documents that can be recorded through the hiring of additional staff backfill documents that predate imaging initiatives,

2. seek additional outreach opportunities to bring information and Clerk’s Office services to residents
3. implement upgraded technology to streamline processes, develop a system that will permit real time turn around on filings, enhance performance and improve public accessibility of information maintained by the Clerk’s Office.

The chart below shows the Office’s authorized headcount since 2001. The increasing reliance on part-time and seasonal employees is clearly evident, while the full-time number has remained essentially flat. According to the Office, part-time and seasonal personnel have a limited impact because it takes over a year’s training for even a full-time employee to effectively contribute.

<b>Authorized Headcount</b>								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Full-time Staffing	100	101	101	102	102	102	102	106
Part-time	15	15	13	34	50	50	60	60
Seasonal	20	15	17	20	20	20	40	40

The increased usage of part-time and seasonal personnel may also be seen by analyzing County Clerk part-time and seasonal spending. The graph below details the part-time and seasonal spending in the County Clerk’s Office from 2001 through 2008.



The chart on the following page contains a current staffing analysis of the Office of the County Clerk. As mentioned previously, compared to the current personnel the 2008 Executive Budget contains funding for eight additional full-time employees and 33 additional part-time and seasonal employees. Some of the vacant position titles include Accounting Executive, Cashier I, Clerk IV, Attorney’s Assistant I, Clerk I part-time and Clerk I seasonal.

**Nassau County Clerk  
Staffing Analysis**

	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	102	98	117	106	4	8
Part-time and Seasonal	100	67	100	100	0	33

The additional full-time staff requested would not necessarily generate more revenue but are seen as essential to maintain an acceptable level of service to the public. If headcount remains flat and rising demand for services continues, the result will be poor customer service, increased backlog, erroneous records and non-compliance with New York State law. There are State statutes and obligations which require documents to be filed within a specific time-frame.

To meet the heightened workload and requirements, the office requested an additional 15 positions compared to its adopted 2007 headcount. The Executive 2008 Budget only included funding for four of the 15 additional requested positions. The Executive 2008 Budget omitted 11 positions requested by the County Clerk. The chart on the following page details the full-time positions which were in the 2008 departmental request but rejected by the Administration.

<b>Omitted Requested Positions</b>		
<b>Number</b>	<b>Title</b>	<b>Wages</b>
2	Clerk I	64,564
1	Acctg Exec	58,211
1	Cashier I	21,881
6	Accounting Asst. I	152,438
1	Asst to Dep Co Clk	43,020
<b>Total</b>	<b>11</b>	<b>340,114</b>

COUNTY COMPTROLLER

The Comptroller monitors and issues reports on all matters that significantly affect the County's financial health and operations. The office reports on the County's financial results, including the preparation and issuance of the County's annual financial statements.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	80	88	91	92	97	5.4%
Salaries	\$5,163,530	\$5,741,011	\$5,998,398	\$6,695,987	\$7,471,390	11.6%
Misc OTPS	98,269	82,075	187,014	239,068	317,000	32.6%
Contractual Services	498,800	514,800	532,430	650,000	647,800	-0.3%
<b>Total</b>	<b>\$5,760,599</b>	<b>\$6,337,886</b>	<b>\$6,717,842</b>	<b>\$7,585,055</b>	<b>\$8,436,190</b>	<b>11.2%</b>

The chart above shows actual expenditures for the County Comptroller's Office since 2004, a projected amount for 2007, and the budgeted amount for 2008. Over the past five years, expenditures for the Comptroller's Office have risen 46.4%. The greatest five year percentage increase was recorded in the miscellaneous OTPS line. This line is composed of equipment and general expense costs. Trailing the miscellaneous OTPS line in terms of five year growth is the salaries line. Salaries in the Comptroller's Office have grown 44.7% over the past five years to accommodate a 21.3% increase in headcount and CSEA steps and COLAs.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$7,093,092	\$6,695,987	\$7,725,620	\$7,471,390	\$378,298	\$775,403
BB	Equipment	147,417	147,417	107,000	107,000	(40,417)	(40,417)
DD	General Expenses	108,615	91,651	210,000	210,000	101,385	118,349
DE	Contractual Services	650,000	650,000	647,800	647,800	(2,200)	(2,200)
	<b>Total OTPS</b>	<b>906,032</b>	<b>889,068</b>	<b>964,800</b>	<b>964,800</b>	<b>58,768</b>	<b>75,732</b>
	<b>Grand Total</b>	<b>\$7,999,124</b>	<b>\$7,585,055</b>	<b>\$8,690,420</b>	<b>\$8,436,190</b>	<b>\$437,066</b>	<b>\$851,135</b>

The 2008 total expense budget of the Comptroller's Office is set to increase 5.5% from the 2007 budget and 11.2% from the 2007 projection. The increase is a function of greater salary and general expense



costs. The salary line is increasing to enable the office to fill five vacant full-time positions, fund expected increases for CSEA employees, and increased terminal leave.

It should be noted that the Executive budget includes a salary increase for the County Comptroller, who is currently earning \$108,670. The proposed adjustment would raise his salary to \$166,300, which is the amount recommended by the Blue Ribbon Panel that examined the issue of the compensation of Nassau County’s elected officials. However, in a letter dated September 27, 2007, addressed to the leadership of the Legislature, County Executive Suozzi has proposed that the additional funding for the County Comptroller, as well the increases for other elected officials, be removed from the salary lines of the individual office holders, and placed in the budget contingency line in the Miscellaneous cost center. He also recommends that a public debate be held on the Blue Ribbon Panel’s proposals “at the next regularly scheduled legislative meeting following the conclusion of the budget process.”

Within the general expense line, new information technology expenses combined with greater postage delivery, educational & training supplies, equipment maintenance and miscellaneous supply costs are resulting in the 93.3% budget to budget increase. The contractual services line is decreasing slightly from the 2007 adopted. Most of the contractual services budget is the cost associated with the County’s annual financial audit.

<b>County Comptroller Staffing Analysis</b>						
	<b>FY 07 <u>Adopted</u></b>	<b>Sept-07 <u>Actual</u></b>	<b>FY 08 <u>Request</u></b>	<b>FY 08 <u>Executive</u></b>	<b>Exec. vs <u>07 Adopt</u></b>	<b>Exec. vs <u>Actual</u></b>
Full-time Staffing	98	92	102	97	(1)	5
Part-time and Seasonal	11	3	14	14	3	11

The 2008 budgeted full-time headcount for the Comptroller’s office is decreasing by one from the 2007 budget. Compared to the September 2007 actual, the 2008 proposed budget includes funding for an additional five full-time employees. The Office’s 2008 part-time and seasonal headcount is increasing by three compared to the 2007 budget and 11 compared to the September 2007 actual. The departmental request had included five additional full-time positions which were omitted from the proposed 2008 budget. The omitted titles were one Accountant III and four Field Auditor IIs.

<b>Historical Revenue</b>						
	<b>FY 04 <u>Actual</u></b>	<b>FY 05 <u>Actual</u></b>	<b>FY 06 <u>Actual</u></b>	<b>FY 07 <u>Projected</u></b>	<b>FY 08 <u>Exec.</u></b>	<b>% Change <u>Proj./Exec.</u></b>
Rents & Recoveries	\$2,972,469	\$1,150,011	\$94,774	\$438,000	\$250,000	-42.9%
Department Revenues	16,792	14,381	16,639	\$15,850	\$19,300	21.8%
<b>Total</b>	<b>\$2,989,261</b>	<b>\$1,164,392</b>	<b>\$111,413</b>	<b>\$453,850</b>	<b>\$269,300</b>	<b>-40.7%</b>

The chart above shows revenues realized by the Comptroller’s Office since 2004, a 2007 projection, and a budget amount for 2008. Over the past five years, Comptroller revenues have decreased by 91.0%. The decrease is the result of less rents and recoveries. The rents & recoveries 2008 budgeted amount is decreasing from the 2007 projection which includes FICA tax refunds for the 1996 through 1997 time period. The office is anticipating less FICA tax refunds in 2008. This is because they expect fewer claims for the 1998 through 1999 time period.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. Vs FY 07 Proj.</b>
BF Rents & Recoveries	\$692,054	\$438,000	\$250,000	\$250,000	(\$442,054)	(\$188,000)
BH Department Revenue	15,850	15,850	19,300	19,300	3,450	3,450
<b>Total</b>	<b>\$707,904</b>	<b>\$453,850</b>	<b>\$269,300</b>	<b>\$269,300</b>	<b>(\$438,604)</b>	<b>(\$184,550)</b>

The total 2008 Comptroller’s Office revenue budget is projected to decrease by \$438,604, or 62.0% from the 2007 Adopted Budget. The decrease is a function of less rents & recoveries revenues. In 2008 the Comptroller’s office expects to obtain \$250,000 from FICA recoveries. The office is anticipating \$19,300 in departmental revenues. This amount includes \$1,000 in miscellaneous receipts, \$300 in fees and \$18,000 of COBRA administrative fees.

COUNTY EXECUTIVE

The County Executive's office is responsible for the supervision and management of the executive branch of county government. More specifically, these duties and responsibilities include supervision and management of all County administrative operations.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	37	42	47	37	38	2.7%
Salaries	\$2,940,254	\$3,606,114	\$4,287,265	\$3,618,196	\$3,803,364	5.1%
Misc OTPS	69,374	56,411	42,567	32,760	33,000	0.7%
Contractual Services	576,110	34,866	81,275	102,361	102,361	0.0%
<b>Total</b>	<b>\$3,585,738</b>	<b>\$3,697,391</b>	<b>\$4,411,107</b>	<b>\$3,753,317</b>	<b>\$3,938,725</b>	<b>4.9%</b>

The chart above shows actual expenditures for the County Executive from 2004 through 2006, a projected amount for 2007, and the proposed 2008 budgeted amount. Over the past five years, the total expense budget has risen 9.8%. Salary increases have been the primary force behind the increase as both the miscellaneous OTPS and contractual services lines have recorded a five year decrease. County Executive expenditures have varied over time as a result of the transfer of employees and expenses into and out of the office. Most of the transfers have been with the Office of Management and Budget.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$3,982,874	\$3,618,196	\$3,803,364	\$3,803,364	(\$179,510)	\$185,168
BB	Equipment	1,904	1,904	2,000	2,000	96	96
DD	General Expenses	2,856	30,856	31,000	31,000	28,144	144
DE	Contractual Services	102,361	102,361	102,361	102,361	0	0
	<b>Total OTPS</b>	<b>107,121</b>	<b>135,121</b>	<b>135,361</b>	<b>135,361</b>	<b>28,240</b>	<b>240</b>
	<b>Grand Total</b>	<b>\$4,089,995</b>	<b>\$3,753,317</b>	<b>\$3,938,725</b>	<b>\$3,938,725</b>	<b>(\$151,270)</b>	<b>\$185,408</b>

The above chart details the County Executive budget by object class. The FY 08 County Executive budget is decreasing by 3.7% from the adopted 2007 budget. The budget to budget decrease is a function of the decline in the budget for salaries. The 2008 budget incorporates six fewer full-time positions than the Adopted 2007 budget. The salary line seems sufficient to enable the office to fill the one vacancy, fund increases granted for 2007 and its terminal leave obligations.

It should be noted that the Executive budget includes a salary increase for the County Executive, who is currently earning \$109,394. The proposed adjustment would raise his salary to \$174,614, which is the amount recommended by the Blue Ribbon Panel that examined the issue of the compensation of Nassau County’s elected officials. However, in a letter dated September 27, 2007, addressed to the leadership of the Legislature, County Executive Suozzi has proposed that the additional funding for the County Executive, as well the increases for other elected officials, be removed from the salary lines of the individual office holders, and placed in the budget contingency line in the Miscellaneous cost center. He also recommends that a public debate be held on the Blue Ribbon Panel’s proposals “at the next regularly scheduled legislative meeting following the conclusion of the budget process.”

Compared to the 2007 adopted budget, all other expense lines are increasing. The greatest percentage increase is in the general expenses line. The 2008 general expenses budget of \$31,000 brings the expense item in line with OLBR’s 2007 projection. Some of the expenditures included in the general expense category are rail/air expenses, office supplies, traveling expenses, and postage delivery.

<b>County Executive Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	44	37	38	38	(6)	1
Part-time and Seasonal	0	2	2	2	2	0

The above chart details the FY 07 adopted, September 2007 actual, and proposed FY 08 budgeted headcount for the Office. Compared to the 2007 adopted, County Executive full-time headcount is decreasing by six full-time. Most of the 2008 omitted positions represent employee transfers to other County departments. Some of the departments where these positions are now being budgeted for are County Attorney, Parks, Emergency Management, Management and Budget, and Housing. When viewed from the September 2007 actual, County Executive full-time headcount is increasing. The salary line seems sufficient to enable the office to fill the one vacancy and fund its terminal leave obligations.

## COURTS

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 department represents fringe benefits for those court workers, most of which are retirees. Currently there are 15 active and 228 retired Court employees that receive the County's health insurance plan. The State reimburses the County for those employees who retired from the Court system prior to the State takeover.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fringe Benefits	2,410,800	2,319,935	2,097,236	2,073,616	2,181,579	5.2%

Historically expenses have remained fairly steady ranging from a low of \$2.1 million in FY 06 to a high of \$2.4 million in FY 04. The significant increases in health insurance rates over previous years contributes to increase costs, however, this can be offset by a reduction in retirees receiving the benefit.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AB	Fringe Benefits	\$2,129,235	\$2,073,616	\$2,201,975	\$2,181,579	\$52,344	\$107,963

The FY 08 expense budget is decreasing by \$52,000 to \$2.2 million. The FY 07 projection for health insurance rates for retirees is \$2.2 million, or \$52,000 less than the FY 07 budget. The FY 08 budget is \$108,000 less than the FY 07 projection.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Revenue to Offset Exp	\$0	\$0	\$1	\$206,612	\$188,400	*****
State Aid	2,155,555	2,015,995	2,070,028	1,793,406	1,793,406	0.0%
<b>Total</b>	<b>\$2,155,555</b>	<b>\$2,015,995</b>	<b>\$2,070,029</b>	<b>\$2,000,018</b>	<b>\$1,981,806</b>	<b>-0.9%</b>

Historically revenue has steadily decreased from \$2.2 million FY 04 to \$2.0 million in the proposed FY 08 budget. The decrease can be attributed to a reduction in the number of retirees receiving the benefit.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BG Revenue to Offset Exp	\$206,612	\$206,612	\$188,400	\$188,400	(\$18,212)	(\$18,212)
SA State Aid	1,793,406	1,793,406	1,793,406	1,793,406	0	0
<b>Grand Total</b>	<b>\$2,000,018</b>	<b>\$2,000,018</b>	<b>\$1,981,806</b>	<b>\$1,981,806</b>	<b>(\$18,212)</b>	<b>(\$18,212)</b>

The FY 08 revenue budget is decreasing minimally by less than 1.0% to \$2.0 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.

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.

## DEBT SERVICE

The Debt Service Fund (DSV Fund) is considered one of the County’s Major Operating Funds. The DSV Fund maintains the resources necessary to make required payments on debt retirement and long-term principal and interest on general obligation bonds issued for projects identified in the 4-year capital plan. These costs of borrowing, or the debt service costs, are supported by chargeback revenues from the Police Headquarters Fund, the Police District Fund, the General Fund and the Fire Commission Fund, along with revenues from non-major operating funds, including the Sewers and Storm Water Resources District Fund and the Nassau County Community College Fund. The County intends to enter the long term market

It is anticipated that total costs reflected in the DSV Fund will grow from FY 07 by approximately \$14.8 million to \$314.7 million. The increase is explained by:

- 1) NIFA set-asides, or the principal and interest on NIFA debt, increasing by \$8.7 million; to \$183.2 million, and
- 2) An increase in debt service costs (principal and interest) by nearly \$6.1 million to \$131.0 million due to: a) new money capital spending including the General Fund and The Sewer and Storm Water Resource District; b) spending authorized by the Environmental Bond Act; c) debt service costs attributed to judgments & settlements; d) costs of short term borrowings, and e) reduced debt service obligations on existing County bonds.

The \$7.5 million in costs on short term borrowings represent new RAN’s and BAN’s the County will issue in FY 08 to finance approximately \$215.0 million cash flow borrowings (see Planned New Debt Issuance chart below). NIFA has no plans to issue additional debt in FY 08.

<b>Planned new debt issuance FY 08</b>	
Purpose	Amount
<u>2008 Capital Bond Borrowings</u>	
Capital Plan-General	\$176,066,216
Capital - SSWRD	42,574,624
Environmental Bond	60,000,000
Judgments	15,000,000
Total Bond Borrowings	<u>\$293,640,840</u>
<u>2008 Cash Flow Borrowings</u>	
Short Term RAN's (New)	\$115,000,000
Short Term TAN's (New)	100,000,000
Total Cash Flow Borrowings	<u>\$215,000,000</u>

In FY 08, the County will be incurring new long-term debt service costs in the amount of approximately \$29.0 million and \$7.5 million in short term debt to cover \$293.6 million in bond borrowings and \$215.0 in cash flow borrowings, respectively.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Interest	\$60,268,646	\$36,001,941	\$30,370,305	\$26,257,059	\$40,062,547	52.6%
Principal	171,435,000	140,280,000	114,845,000	96,190,000	90,940,000	-5.5%
Expense of Loans	0	909,858	249,081	500,000	525,000	5.0%
NIFA Set-asides	93,937,385	128,632,236	145,127,873	174,457,889	183,199,291	5.0%
<b>Total</b>	<b>\$325,641,031</b>	<b>\$305,824,035</b>	<b>\$290,592,259</b>	<b>\$297,404,948</b>	<b>\$314,726,838</b>	<b>5.8%</b>

As a result of the County’s policy to use NIFA to refinance outstanding County debt, although debt service (interest and principal) payments have declined dramatically over the past few years, from \$231.7 million in 2004 to \$131.0 as proposed in the FY 08 budget, the upshot is an increase in NIFA sales tax set asides of \$8.7 million. The result is reduced interest costs in the short run, while extending the structure of repayment over a longer period of time. The County receives residual revenues from sales tax collections only after NIFA debt service and operating requirements are met.

The DSV expense budget is detailed below. Total DSV payments, including NIFA set-asides and loan expenses, are expected to increase by 5.0% or \$14.8 million, from \$299.9 million budgeted in 2007 to \$314.7 million in 2008. Principal and interest costs, or debt service costs, will increase by approximately \$6.1 million due to new borrowing for General Capital projects and Sewer & Storm Water Resource District related projects, judgments and debt service costs for funding Open Space projects and/or purchases. NIFA set-asides of \$183.2 million and expense of loans of \$525,000 account for the remaining expenditures.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>DEBT SERVICE FUND</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Exec. vs FY 07 Proj.</b>
FF	Interest	\$25,816,905	\$26,257,059	\$40,062,547	\$40,062,547	\$14,245,642	\$13,805,488
GG	Principal	99,103,014	96,190,000	90,940,000	90,940,000	(8,163,014)	(5,250,000)
OO	NIFA Set-asides	174,457,889	174,457,889	183,199,291	183,199,291	8,741,402	8,741,402
OO	Expense of Loans	500,000	500,000	525,000	525,000	25,000	25,000
	<b>Total</b>	<b>\$299,877,808</b>	<b>\$297,404,948</b>	<b>\$314,726,838</b>	<b>\$314,726,838</b>	<b>\$14,849,030</b>	<b>\$17,321,890</b>

The County also remains flexible throughout the year to borrow for cash flow purposes as necessary. The County intends to enter the market in 2008 to finance approximately \$293.6 million in long term capital needs, including the capital needs identified by the Sewer and Storm Water Resource District.



Short term borrowings will be used in the future as NIFA’s share of sales tax set asides increases over time and maturities on NIFA debt begin to increase.

The amount of resources to set aside every year to transfer to the debt service fund depends on the present value of the future repayment obligation, which in turn depends on the selection of an appropriate and realistic discount rate. This is critical because one basis point, the smallest measure used for quantifying yields (interest) can mean thousands of dollars in savings to the County. One basis point is equal to one one-hundredth of one percent (1/100 of 1%, or .01%). The True Interest Cost (TIC) is approximately 6.37% for new 2008 long term issues and 5.75% on cash flow TAN borrowings. The lower the TIC the lower the cost of borrowing will be for the County. Under this method of computing the interest expense to the County, true interest cost is defined as the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds. According to the Administration, variable rate debt carries a cost of approximately 4.95%.

TANs, or tax anticipation notes, are issued to meet cash flow needs only, in anticipation of future tax receipts. BANs are short term notes issued in anticipation of later issuance of bonds, usually payable from the proceeds of the sale of the bonds. BANs may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project. According to the County’s debt policy, BANs shall mature within six months after substantial completion of the financed project, and not more than five years from the date of issuance.

The Debt Service Fund collects chargeback revenues from the major operating funds for debt service expenses on a project by project basis. The historical data shown below present a decline over the years in total receipts as a result of declining debt service chargebacks revenue, due to declining debt service expenditures countywide. Prior to 2006, debt service chargeback revenues were budgeted and recorded as part of interdepartmental revenues and/or interfund revenues.

	<b>Historical Revenue</b>					
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Fund Balance	\$9,935,000	\$10,000,000	\$0	\$0	\$0	*****
Interfund Revenues	8,585,800	8,250,085	17,878,525	22,562,004	40,934	-99.8%
Interfund Transfer	10,000,000	3,004,991	0	0	0	*****
Pension Bond Reserve	0	8,158,582	0	0	0	*****
Env. Bond Act revenue	0	0	0	0	7,374,561	*****
Debt Service Chgback	0	0	272,713,734	258,042,944	290,772,379	12.7%
Debt Service from Cap	0	32,588,892	0	16,800,000	5,600,000	-66.7%
Interdepartmental Rev.	307,120,231	296,787,269	0	0	0	*****
<b>Total</b>	<b>\$335,641,031</b>	<b>\$358,789,819</b>	<b>\$290,592,259</b>	<b>\$297,404,948</b>	<b>\$303,787,874</b>	<b>2.1%</b>

The Debt Service Fund’s revenue budget for FY 08, as shown in the table below, is comprised primarily of \$290.8 million in chargeback revenues, expensed to each of the major operating funds for its portion of debt service costs. Compared to the current FY 07 Adopted Budget, aggregate total revenues are anticipated to increase by approximately \$14.8 million. Inter-fund revenues and debt service from

capital have decreased by nearly \$6.9 million and \$11.2 million, respectively. However, the lower revenues have been offset by an increase of approximately \$33.0 million in debt service expenses charged back to the General Fund. The increased debt service chargeback revenues is the result of the inability to draw from the Bonded Indebtedness Reserve Fund and a reduction in the amount of Capital Fund grant recoveries.

<b>REVENUE BUDGET DEBT SERVICE FUND</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BV Chargeback Revenues	\$257,856,914	\$258,042,944	\$290,772,379	\$290,772,379	\$32,915,465	\$32,729,435
BQ Debt Service from CAP	16,800,000	16,800,000	5,600,000	\$5,600,000	(\$11,200,000)	(\$11,200,000)
BW Interfd Revenues	25,220,894	22,562,004	18,354,459	18,354,459	(6,866,435)	(\$4,207,545)
<b>Total</b>	<b>\$299,877,808</b>	<b>\$297,404,948</b>	<b>\$314,726,838</b>	<b>\$314,726,838</b>	<b>\$14,849,030</b>	<b>\$17,321,890</b>

As shown below, \$286.8 million represents chargeback revenues from the General Fund, \$118,686 from the Police District Fund, \$3.3 million from the Police Headquarters Fund and \$488,887 from the Fire Commission. These revenues correspond to the debt service chargeback line in each of the funds as follows:

<b>Debt Service Fund Chargeback Revenues</b>		
	<b>Adopted FY 07</b>	<b>Executive FY 08</b>
General Fund	\$253,940,861	\$286,815,367
Police District	196,518	118,686
Police Headquarters	3,070,581	3,349,439
Fire Commission	648,953	488,887
<b>Grand Total</b>	<b>\$257,856,913</b>	<b>\$290,772,379</b>

In addition, revenue received by the departments for services on behalf of non-major operating funds represent inter-fund charges (revenues). The inter-fund charges (revenues) line for FY 08 of \$18.4 million includes \$10.9 million to offset debt service incurred by the Sewer & Storm Water Resource District, \$7.4 million on behalf of the Environmental Bond Fund, and \$40,934 of the remaining funds in the Bonded Indebtedness Reserve Fund.

The only item in the General Fund Debt Service expense budget is the \$286.8 million for debt service chargebacks. As mentioned above, this line is used to account for the allocated debt service chargebacks by the same amount paid to the Debt Service Fund.

**EXPENSE BUDGET BY OBJECT CLASS  
GENERAL FUND**

<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
HD	Debt Svc Chargebacks	\$253,940,861	\$253,863,691	\$286,815,367	\$286,815,367	\$32,874,506	\$32,951,676

According to the proposed FY 08 budget, debt service for the County’s major operating funds is \$314.7 million, including approximately \$28.1 million in future obligations. This amount translates into 12.3% of projected of the County’s \$2.6 billion budget.. The County’s ten year debt plan maintains that by 2016 debt service will be 9.86% of expenditures.

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 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Full-time Headcount	354	344	343	355	350	-1.4%
Salaries	\$22,264,147	\$23,581,371	\$24,920,678	\$27,874,402	\$29,567,523	6.1%
Misc OTPS	1,556,014	822,229	1,175,346	981,316	953,480	-2.8%
Contractual Services	536,665	531,120	779,653	987,000	987,000	0.0%
<b>Total</b>	<b>\$24,356,826</b>	<b>\$24,934,720</b>	<b>\$26,875,677</b>	<b>\$29,842,718</b>	<b>\$31,508,003</b>	<b>5.6%</b>

Expenditures in the District Attorney’s Office have gradually grown over the years from \$24.4 million in FY 04 to \$31.5 million in FY 08. The 5.6% hike in FY 08 compared to the FY 07 projection reflects greater salaries. The \$1.7 million jump from FY 06 actual to the FY 07 projection is due the creation of new divisions for the DWI Bureau, Public Corruption Bureau and an Early Case Assessment Bureau. The increase in contractual services from FY 06 to FY 07 projection is due to higher cost of expert witnesses and greater use of DNA Lab testing.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$28,249,955	\$27,874,402	\$31,970,755	\$29,567,523	\$1,317,568	\$1,693,121
BB	Equipment	119,000	119,000	170,000	119,000	0	0
DD	General Expenses	862,316	862,316	987,600	834,480	(27,836)	(27,836)
DE	Contractual Services	987,000	987,000	1,160,000	987,000	0	0
	<b>Total OTPS</b>	<b>1,968,316</b>	<b>1,968,316</b>	<b>2,317,600</b>	<b>1,940,480</b>	<b>(27,836)</b>	<b>(27,836)</b>
	<b>Grand Total</b>	<b>\$30,218,271</b>	<b>\$29,842,718</b>	<b>\$34,288,355</b>	<b>\$31,508,003</b>	<b>\$1,289,732</b>	<b>\$1,665,285</b>

The total FY 08 expenditure budget is increasing by \$1.3 million, over 2007’s budget primarily due to a rise in salaries as well as increased overtime and termination pay. The \$29.6 million salary budget includes a cost of living adjustment (COLA) and step increase for CSEA union employees and \$600,000 salary adjustment to pay for merit increases for all exempt employees including Assistant District

Attorneys. Overtime is increasing by \$150,000 due the District Attorney’s aggressive approach to prosecuting criminal investigations in the Investigations Bureau, to maintaining the Early Case Assessment Bureau which operates 24 days per day, and increased activity at the Grand Jury Bureau.

It should be noted that the 2008 Executive budget includes a salary increase for the District Attorney, who is currently earning \$150,000. The proposed adjustment would raise her salary to \$166,300, which is the amount recommended by the Blue Ribbon Panel that examined the issue of the compensation of Nassau County’s elected officials. However, in a letter dated September 27, 2007, addressed to the leadership of the Legislature, County Executive Suozzi has proposed that the additional funding for the District Attorney, as well the increases for other elected officials, be removed from the salary lines of the individual office holders, and placed in the budget contingency line in the Miscellaneous cost center. She also recommends that a public debate be held on the Blue Ribbon Panel’s proposals “at the next regularly scheduled legislative meeting following the conclusion of the budget process.”

Other than personal services are decreasing by \$27,800 due to a reduction in general expenses. The general expense budget of \$834,000 includes traveling costs, office supplies, postage delivery, information technology supplies, education and training supplies, investigative expenses, online subscriptions, notary fees, foreign language services, shredding, advertising and petty cash. The District Attorney’s equipment budget remains at \$119,000. It includes the cost to fund office furniture and information technology. The contractual services budget held at \$987,000 includes the costs of court reporters, expert witnesses, witness protection, and equipment maintenance service expenditures. The equipment maintenance contracts are needed to service office repairs that are not repairable by the County under County service contracts.

<b>District Attorney Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	356	355	369	350	(6)	(5)
Part-time and Seasonal	21	36	35	35	14	(1)

The FY 08 Proposed Budget reflects funding for 350 full-time positions and 35 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.

In FY 08, the titles for Legal Stenographers and Legal Typists were changed to Legal Secretaries. According to the department, employees classified in the Legal Stenographer title were stymied to advance because they were required to pass performance tests for stenography, a skill which is no longer used or practiced. The Legal Typists) were included in this change based on a decision by the Civil Service Commission. Legal Stenographers and Legal Secretaries start at the same pay grade of 7,

however the Legal Typists start at a lower pay grade of 4, therefore the Typists will earn a greater salary as result of the title change.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fines & Forfeitures	\$0	\$143,000	\$30,281	\$15,000	\$0	-50.5%
Investment Income	377	313	1,405	1,000	1,200	-28.8%
Rents & Recoveries	191,958	80,191	103,648	0	0	-100.0%
Departmental Revenue	1,569	519	470	1,038	0	120.9%
Interdept/Interfund	1,301,834	1,109,235	1,478,642	1,558,493	2,410,257	5.4%
Federal Aid	74,982	71,499	17,105	65,288	31,145	281.7%
State Aid	58,077	81,579	55,577	55,577	55,577	0.0%
<b>Total</b>	<b>\$1,628,797</b>	<b>\$1,486,336</b>	<b>\$1,687,128</b>	<b>\$1,696,396</b>	<b>\$2,498,179</b>	<b>47.3%</b>

Historically, revenue dipped in FY 05 due to a decline in rents and recoveries and interdepartmental charges. The increase in interfund revenue from FY 05 through FY 08 is due to increased revenue from grants such as Prosecution, Motor Vehicle Theft and Insurance Fraud, Welfare Fund, and Stop DWI.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted</b>	<b>OLBR</b>	<b>FY 08</b>	<b>FY 08</b>	<b>Variance</b>	<b>Variance</b>
		<b>FY 07</b>	<b>FY 07</b>	<b>Dept.</b>	<b>Exec.</b>	<b>Exec. vs</b>	<b>Exec. vs</b>
		<b>Budget</b>	<b>Projection</b>	<b>Request</b>	<b>Budget</b>	<b>Adopted 07</b>	<b>FY 07 Proj.</b>
BD	Fines & Forfeits	0	15,000	0	0	0	(15,000)
BE	Investment Income	1,000	1,000	1,200	1,200	200	200
BH	Department Revenues	0	1,038	0	0	0	(1,038)
BJ	Interdepart Revenue	190,905	190,905	273,500	273,500	82,595	82,595
BW	Interfund Revenues	1,367,588	1,367,588	2,136,757	2,136,757	769,169	769,169
FA	Federal Aid - Reimbursable	65,288	65,288	31,145	31,145	(34,143)	(34,143)
SA	State Aid - Reimbursable	55,577	55,577	55,577	55,577	0	0
<b>Grand Total</b>		<b>\$1,680,358</b>	<b>\$1,696,396</b>	<b>\$2,498,179</b>	<b>\$2,498,179</b>	<b>\$817,821</b>	<b>\$801,783</b>

The revenue budget for the District Attorney is rising by 48.7%, or \$818,000 over that of the adopted 2007 budget primarily due to the interfund revenues. The increase is due to a \$750,000 award from New York State to fight Medicaid Fraud. This revenue also 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, budgeted at \$31,000, is revenue generated from the Federal Drug Enforcement Agency (DEA). The District Attorney's Office submits claims for the amount of overtime worked with the DEA State and Local Task Force to the State of New York each budgetary quarter. State Aid remains

unchanged at \$56,000, which is for the reimbursement of DA expenditures relating to salaries in the District Attorney's Office under the District Salary Support Program.

## BOARD OF ELECTIONS

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: registering voters and maintaining records, conducting primaries, general elections and all special elections called by the Governor, and canvassing election results and certifying those results. The Board also provides lists of registered voters to school, village, fire or special districts with a scheduled election.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	105	108	107	110	110	2.8%
Salaries	\$8,538,007	\$8,148,224	\$8,600,501	\$9,392,975	\$10,551,414	9.2%
Misc OTPS	800,705	660,045	780,971	978,659	1,005,039	25.3%
Contractual Services	457,658	408,778	360,700	549,000	549,000	52.2%
<b>Total</b>	<b>\$9,796,370</b>	<b>\$9,217,047</b>	<b>\$9,742,172</b>	<b>\$10,920,634</b>	<b>\$12,105,453</b>	<b>12.1%</b>

The chart above shows actual expenditures of the Board of Election since FY 04, with a projected amount for FY 07.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$9,662,601	\$9,392,975	\$10,801,414	\$10,551,414	\$888,813	\$1,158,439
BB	Equipment	101,388	101,388	88,928	88,928	(12,460)	(12,460)
DD	General Expenses	877,271	877,271	916,111	916,111	38,840	38,840
DE	Contractual Services	549,000	549,000	549,000	549,000	0	0
	<b>Total OTPS</b>	<b>1,527,659</b>	<b>1,527,659</b>	<b>1,554,039</b>	<b>1,554,039</b>	<b>26,380</b>	<b>26,380</b>
	<b>Grand Total</b>	<b>\$11,190,260</b>	<b>\$10,920,634</b>	<b>\$12,355,453</b>	<b>\$12,105,453</b>	<b>\$915,193</b>	<b>\$1,184,819</b>

The proposed 2008 expense budget for the Board of Elections is increasing by \$915,193 from the 2007 Adopted Budget. These funds are needed 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 increase is directly related to the Help America Vote Act (HAVA) requirements. Also, HAVA requires that a new position, Polling Place Coordinator, be hired for each Election Day, as are the Election Inspectors.



Expenses have been doubled to cover both the February Presidential and September Primaries. However, funds to pay the inspectors were not doubled, which will create a serious shortfall in the CC30 account of over \$630,000.

The Board of Elections' FY 08 Executive Budget OTPS costs are similar to FY 07. General expenses have increased by \$38,840, or 4.4%. This line is used for general office expenses and the replacement of outdated or broken office equipment. The funds are allocated for mailings to more than 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.

The Board of Elections has informed OLBR that federal funds will be used to pay for the initial purchase of approximately 1,500 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. In addition, if New York State Election laws change based upon the functionality of these new machines, it could result in the need for 3,000 to 4,000 additional machines. The ancillary costs for only 1,500 machines are represented in the FY 08 department request. The FY 08 Executive Budget of \$12.1 million for Elections is approximately \$6.7 million less than the departmental estimates. The Board feels there is a need for the following items, even though they were not part of the submission in FY 08:

- 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.
- A new phone system that allows for programming of automated messages for the public.
- Public education/advertising for new machines.
- Additional postage allocations.
- A 150% increase for Election Inspector training classes, from \$10 to \$25, pursuant to State law.
- Coordinators for all polling places, as required by new State Law.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center	Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs FY 07	Variance Exec. vs Request
10 Administration	\$3,741,952	\$3,769,013	\$3,769,013	\$27,061	\$0
20 General Elections	6,140,853	6,808,985	6,683,985	543,132	(125,000)
30 Primary Elections	1,307,455	1,777,455	1,652,455	345,000	(125,000)
<b>Total</b>	<b>\$11,190,260</b>	<b>\$12,355,453</b>	<b>\$12,105,453</b>	<b>\$915,193</b>	<b>(\$250,000)</b>

The Primary Elections control center is increasing by only \$345,000. The majority of the increase is comprised of two factors: 1) a new state law requiring the Board to pay mileage to poll inspectors at a total cost of \$40,000 and 2) increases in budgeted salaries due to the new HAVA requirements.

**Board of Elections  
Staffing Analysis**

	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	46	41	45	45	(1)	4
20 General Elections	63	66	65	65	2	(1)
<b>Total Full-time</b>	<b><u>109</u></b>	<b><u>107</u></b>	<b><u>110</u></b>	<b><u>110</u></b>	<b><u>1</u></b>	<b><u>3</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	0	0	0	0	0	0
20 General Elections	70	61	70	70	0	9
<b>Total Part-time and Seasonal</b>	<b><u>70</u></b>	<b><u>61</u></b>	<b><u>70</u></b>	<b><u>70</u></b>	<b><u>0</u></b>	<b><u>9</u></b>

Budgeted full time staffing for the Board of Elections in 2008 will remain relatively flat, increasing by one position when compared to the current year's budget, or three positions compared to the September 1, 2007 headcount. Part-time staffing is remaining level with the 2007 budget at 70 positions.

**Historical Revenue**

	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Actual</u>	<u>FY 07 Projected</u>	<u>FY 08 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$121,460	\$187,339	\$197,097	\$197,097	\$120,000	0.0%
Department Revenues	31,209	36,451	35,000	35,000	35,000	0.0%
<b>Total</b>	<b>\$152,668</b>	<b>\$223,790</b>	<b>\$232,097</b>	<b>\$232,097</b>	<b>\$155,000</b>	<b>-33.2%</b>

The chart above shows the revenue realized by the Board since FY 04, with an estimated amount for FY 07.

**REVENUE BUDGET**

<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BF Rents and Recoveries	\$120,000	\$197,097	\$120,000	\$120,000	\$0	(\$77,097)
BH Department Revenues	35,000	35,000	35,000	35,000	0	0
<b>Grand Total</b>	<b>\$155,000</b>	<b>\$232,097</b>	<b>\$155,000</b>	<b>\$155,000</b>	<b>\$0</b>	<b>(\$77,097)</b>

The revenue budget for Elections remains flat when compared to the current year's budget. The Board of Elections' major source of income is from the rental of voting machines budgeted in 2008 to generate \$120,000. Departmental revenues will remain flat. The Board of Elections collects fees for the sale of a variety of data, such as forms, report 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.

The Board is facing such a large increase because of the federal mandate, HAVA. This federal law requires that punch card and lever voting machines be replaced with new, electronic technology. Nassau County currently votes using lever machines.

The Board must follow regulations established by the State Board of Elections as well as provisions of New York State Election Law. Both of these strengthen HAVA requirements.

Based on extensive discussions and meetings with staff and commissioners at the Board of Elections, these are the issues, in no order of importance:

- 1) Presently, New York State Election regulations place an 800 vote cap on voting machines. In Election Districts with a number of voters greater than 800, two machines are placed at the polling location for voting. The New York State Board of Elections has indicated that this number may be reduced to 400. For Nassau County, this could mean replacing 1,500 lever voting machines with 3,000 electronic machines. The reason for the reduction stems from the fact that all voting machines after January 1, 2007 must be usable by all voters, whether or not they have a disability. Since voters with disabilities may require longer times to vote, the lower number creates the increase in machines to ensure voting progresses smoothly.
- 2) New York State received money from the federal government to be passed on to the counties in order to defray the cost of the machines. These funds require a 5% match from the County and is approximately \$750,000 for Nassau. Nassau County's share of the funds from the State amounts to about \$15 million. Should the cost of the new replacement machines in Nassau cost more than that amount, it is the County's responsibility to cover the difference. A potential worst case scenario could equal an amount between \$15.0 and \$20.0 million depending on the direct and incidental costs of the new voting machines. The FY 2008 budget submission does not allocate operating funds for this expense, nor does the capital budget, based on budget submission narratives. The County has allocated \$15.0 million to the FY 2008 Capital Budget, but then notes that the \$15.0 million represents the federal funds passed to the state.
- 3) Presently, the Board is awaiting a ruling from Federal court which could requires Plan B machines in every polling site for FY 08 primary and general elections. Plan B machines allow people with disabilities to use a machine to vote while protecting their right to a private ballot. This ruling will require the purchase of 800 additional Plan B machines as well as the hiring of additional, HAVA trained, inspectors. These machines will not be utilized in future elections and were used in the first place as a result of the federal lawsuit between the United States Department of Justice and the State of New York. Second, the remaining monies are not going to be issued to Nassau County directly. Instead, the Commissioners of the Board of Election, once they have selected the machinery to be bought, will send a purchase order request, with the \$750,000 and funds to cover the costs over \$15.0 million, to the State Board of Elections. The

State Board will then issue their own purchase order to the Office of General Services for the requested number of machines. The machines will be delivered to the Board of Elections and the invoice will be sent to Albany. The federal funds allocated to Nassau will be used to pay the invoice along with the funds forwarded by Nassau. The State Board of Elections has already pointed out that should any county in the state not supply funds to cover the excess, the State will deduct that amount from the Aid to Local Municipalities sent to that county. Simply put, if the County does not budget for that expense the State will deduct it from the County's State Aid operating revenue. Nassau County is obligated to provide this funding as required by Section 7-203 of New York State Election Law.

- 4) New York State Election Law states that the Board of Elections shall appoint as many voting machine technicians and voting machine custodians as shall be necessary for the proper preparation and repair of voting machines, and sets their salaries. The Budget does not fund the obvious additional voting machine technicians needed should the federal ruling require all polling sites have a Plan B machine.
- 5) The new HAVA law was designed to make voting accessible to all. While people with disabilities have been the primary focus, foreign language translation is also important. Nassau County is responsible for providing translation into Spanish. The Board of Elections must provide all information bilingually. Their web page on the county web site is not HAVA compliant because it only appears in English. Translators must be available throughout the year, particularly during election cycles and particularly on election days. The Board will need new positions for Language Minority Coordinators and although they were not requested by the Board.
- 6) HAVA requires Voter Outreach and Poll Worker Training. The Voter Outreach will initially entail getting the message out that there is a new voting system in Nassau County. The employees would be responsible for putting together demonstrations, presentations and other methods to inform the voters as well as give them a chance to try the new machines before actually voting. New York State Election Law sets a schedule for the number of poll workers necessary, based on several factors. Primarily, it is the number of machines in place at a polling district. Since it is expected that more machines will be purchased and utilized than presently on hand, additional voting inspectors will be necessary. The Board will need new positions for HAVA outreach, voter education, poll and poll worker training, and training new inspectors as well as existing ones.
- 7) Since the United States Department of Justice has been taking states to court, particularly New York as the 50<sup>th</sup> state to comply with HAVA laws it is important for all counties to ensure compliance. In that regard, it is necessary that the County is not in violation of any federal or state statute or regulation pertaining to HAVA. Failure to comply is not only embarrassing, but it could lead to federal court actions against the County along with fines, penalties and loss of federal funding. The Board of Elections should create HAVA compliance officer positions to protect the county from non-compliance liabilities.
- 8) An increase in voting machines will require more Inspectors, as stated earlier, pursuant to Election Law. A review and examination of the Board's existing Inspector structure show an

older population being paid less money than surrounding counties for the 15 or so hours they must work at the polling sites. It is expected that with new electronic voting machines, the Board will be faced with a drop-off of current Inspectors. The Board must then recruit replacement Inspectors and new Inspectors. In an effort to attract and retain Inspectors, the Board increased Inspector fees.

- 9) The current facility housing the Board of Elections will most likely need to undergo serious upgrade to be able to accommodate additional staff and equipment. Monies should be earmarked in the Capital Budget for that purpose and work should begin as soon as possible to be completed before the elections in 2008.

Nassau County is faced with a costly reality as a result of new federal and state laws and regulations. New provisions of the laws mandate new positions to be hired at the Board of Elections. Whether it is machine technicians, outreach workers, trainers, translators or more, better paid inspectors, the County must comply.

Failure to comply could result in federal legal action which could see the loss of HAVA funds earmarked for Nassau as well as a judge's order to install all the components of compliance. Moreover, the County must prepare for a large expenditure for new voting machines. Failure to make financial provisions for this purchase, most likely through the Capital Budget, could see a reduction in State Aid to the revenue budgeted for FY 2008 to cover the balance of the machines' purchase. This reduction would create a big hole in the FY 2008 budget almost immediately out of the starting gate in January.

It is not clear how much funding, if any, will be needed in excess of the balance of the \$15.0 million held by the State for Nassau. This is primarily because no voting machine system has been chosen by the Republican and Democratic Commissioners at the Board of Elections, as is required by law. They are not able to choose a machine until the State Board of Elections certifies equipment. Also, the State Board has not set the machine vote maximum, which will play a large part in the decision process regarding the number of machines that need to be purchased.

It is expected that the State will issue their machine vote cap by the end of November. Machine certifications will be issued by early to mid-December. Counties will be required to issue their selection to the State through a purchase order request. Along with the \$750,000 matching contribution, funds to cover the cost of the machines and equipment over the existing balance must accompany the purchase order request. The deadline for the counties to submit their purchase order request appears to be the first week in January.

All deadlines and dollar amounts are subject to change, based on regulations issued by the State Board of Elections. Currently the Federal Government and the State are in negotiations to settle a potential law suit for non-compliance of the HAVA requirements.

**OFFICE OF EMERGENCY MANAGEMENT**

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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 07, the Office hopes to further develop the Emergency Operations Center (EOC) as a centralized location to mitigate the effects of a disaster. There are currently 36, an increase of 17 from 2006, fully functional static positions for county, state, federal and/or local agencies. Communications among the numerous responding agencies during an emergency has been improving and will continue to do so. OEM has distributed 800 MHz radios to about 75% of Nassau County's towns, villages and cities for inter-agency communications. Additionally, all major hospitals, nursing homes and many school and water districts have communications with OEM. The Office believes that an enhanced communications network is essential for the County's vigilance.

OEM participates in several task forces that will further its goals. The Office will continue to head the Grant Task Force for Homeland Security Grants that consists of representatives from various County agencies and hopes for increased involvement from participating agencies. The Task Force is responsible for taking full advantage of all available grants regarding emergency management. Also the Office participates in, with other County agencies, the Preparedness Task Force which evaluates and measures the County's readiness in the event of a disaster.

Additionally, the Office has concentrated on creating a Countywide Debris Management Plan. This plan will focus on the immediate recovery caused by a large scale event, from the date of the event out two months. The plan will be coordinated with the cities, towns, villages and sanitation districts within the County. At the end of the project those municipalities that participate will have their own plan, which shall be incorporated into the County plan. The plan will be produced by a vendor and will be funded with federal grant monies. The local governments will not have to contribute any funds to the plan. Once approved, the plan will allow Nassau County and the participating local governments to increase their reimbursement rate from 75% to 80% of costs.

Work was recently completed on a rail/bus evacuation plan jointly with OEM, the City of Long Beach, the Village of Valley Stream, MTA/LIRR, LMTA/LI Bus and SEMO for the southwest portion of the County. OEM has also increased its County controlled food supply, has stored some of its supply in the Nassau County Red Cross warehouse and plans to purchase an additional 23,000 ready to eat meals (MRE) in 2008. In addition, OEM has created a supply of Emergency Response Trailers that is pre-positioned in various locations scattered throughout Nassau County. These trailers contain enough cots, blankets, portable toilets, disposable clothing and sundries to shelter 150 to 200 people. Lastly, OEM has created a unique partnership with the Emergency Preparedness Unit of the Department of Health, which has moved into OEM. Under the partnership, the Department of Health participates in the Cities Readiness Initiative (CRI) as the lead agency. OEM plays a supporting role.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	3	6	5	7	7	0.0%
Salaries	\$354,104	\$579,443	\$517,255	\$545,801	\$573,758	5.1%
Misc OTPS	75,837	60,862	628,788	56,379	53,560	-5.0%
<b>Total</b>	<b>\$429,941</b>	<b>\$640,306</b>	<b>\$1,146,043</b>	<b>\$602,180</b>	<b>\$627,318</b>	<b>4.2%</b>

Emergency Management expenses have fluctuated over the past few years due to changes in headcount. Although headcount in 2007 is higher than 2005 the salaries do not reflect accordingly. The composition of the staff has changed and no longer includes the higher salaried deputy commissioner position. The spike in 2006 for miscellaneous OTPS expenses reflect the communication equipment costs of \$162,236 and the miscellaneous equipment expense in the amount of \$425,816 which were needed for miscellaneous contracts associated with the Emergency Preparedness Unit.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$464,837	\$545,801	\$573,758	\$573,758	\$108,921	\$27,957
BB	Equipment	31,699	28,926	27,480	27,480	(4,219)	(1,446)
DD	General Expenses	30,085	27,453	26,080	26,080	(4,005)	(1,373)
	<b>Total OTPS</b>	<b>61,784</b>	<b>56,379</b>	<b>53,560</b>	<b>53,560</b>	<b>(8,224)</b>	<b>(2,819)</b>
	<b>Grand Total</b>	<b>\$526,621</b>	<b>\$602,180</b>	<b>\$627,318</b>	<b>\$627,318</b>	<b>\$100,697</b>	<b>\$25,138</b>

Salaries, which make up 91.5% of the expense budget, are increasing by \$27,957 or 5.1%, when compared to OLBR's 2007 projection. As mentioned above, the salary line no longer includes funding for a deputy commissioner position but will accommodate three new positions, a financial systems administrator, currently on board, and two community services representatives. It appears that the salary funding is sufficient for 2008.

OTPS expenses, excluding inter-departmental charges, are decreasing by \$8,224 from the FY 07 budget. This decline results from reductions of \$4,219 for equipment and \$4,005 for general expenses. The equipment budget of \$27,480 for FY 08 consists of heavy duty, safety & security, communication and miscellaneous equipment. The majority of the general expenses is comprised of miscellaneous supplies and travel expenses.

Emergency Management Staffing Analysis						
	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	5	7	7	7	2	0

The FY 08 proposed staffing headcount of seven full-time positions will remain consistent with current actuals. .

Historical Revenue						
	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Actual</u>	<u>FY 07 Projected</u>	<u>FY 08 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$420	\$73	\$146	\$975	\$0	0.0%
Interfund Charges	456,692	0	0	0	0	*****
Federal Aid	168,735	168,736	273,952	261,931	294,828	12.6%
State Aid	10,455	0	0	0	0	0.0%
<b>Total</b>	<b>\$636,302</b>	<b>\$168,809</b>	<b>\$274,098</b>	<b>\$262,906</b>	<b>\$294,828</b>	<b>12.1%</b>

The Office experienced a dramatic increase in historical revenue of \$105,216 in FY 06 due to a rise in federal aid. Federal aid, traditionally reflected in the Grant Fund, started to appear in the General Fund in FY 07.

REVENUE BUDGET						
<u>Revenue Class</u>	<u>Adopted FY 07 Budget</u>	<u>OLBR FY 07 Projection</u>	<u>FY 08 Dept. Request</u>	<u>FY 08 Exec. Budget</u>	<u>Variance Exec. vs Adopted 07</u>	<u>Variance Exec. vs FY 07 Proj.</u>
BF Rents & Recoveries	\$0	\$975	\$0	\$0	\$0	(\$975)
FA Federal Aid	261,931	261,931	294,828	294,828	32,897	32,897
<b>Total</b>	<b>\$261,931</b>	<b>\$262,906</b>	<b>\$294,828</b>	<b>\$294,828</b>	<b>\$32,897</b>	<b>\$31,922</b>

The FY 07 OLBR projected revenue primarily reflects a grant from the federal government which partially reimburses the salaries of the Office of Emergency Management. The Administration expects an increase of \$32,897 in federal aid. As mentioned above there will be a change in revenue representation from the Grant Fund to the General Fund in FY 07. .

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. The federal fiscal year and the County fiscal year differ so federal grant awards issued in 2007 will be utilized by the County in FY 08. Nassau County has been awarded \$2.0 million



for the Urban Area Security Initiative (UASI) and \$1.1 million for the State Homeland Security Program (SHSP), an increase of 25% and 59%, respectively.. The expiration for both grants is September 2010. the specific division of money and the types of projects to be supported have not yet been finalized.

## 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.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj. /Exec.</b>
Investment Income	\$18,380	\$47,300	\$38,961	\$15,000	\$60,000	300.0%
Revenue to offset Exp	0	0	0	20,000	26,376	
Rents & Recoveries	193,018	53,603	753,457	66,260	0	0.0%
Department Revenues	3,855,639	4,447,232	4,910,661	5,313,830	5,500,830	3.5%
Interdept Charges	2,250	94,976	0	0	0	0.0%
Interfund Charges	0	0	0	146,208	48,826	
State Aid	138,062	235,080	204,885	120,000	150,000	25.0%
Property Tax	17,781,846	15,443,689	15,849,706	15,698,706	15,554,824	-0.9%
<b>Total</b>	<b>\$21,989,195</b>	<b>\$20,321,880</b>	<b>\$21,757,670</b>	<b>\$21,380,004</b>	<b>\$21,340,856</b>	<b>-0.2%</b>

Revenue has remained fairly steady from \$22.0 million in FY 04 to the proposed \$21.3 million in FY 08. The increase in department revenue over the years is due to increased Fire Commission fees and an initiative to increase emergency lighting tests. The additional revenue in the FY 07 department revenue projection is due to increased regulatory services and licenses under Article XXII of the Nassau County Fire Prevention Ordinance. Examples of article fees collected include fire alarms, smoke alarms, sprinkler system, bulk storage, and truck and generator fees. The decline in state aid from FY 05 through the projected FY 07 can be attributed to decreased student population for emergency training.

The Commission has the responsibility for the implementation and monitoring of the Multi-Year Financial Plan initiative which has been incorporated into the FY 08 budget and out-year baseline.

**Functionality Test Fee - \$80,000**

The functionality test is an additional fee which has been added to Article XXII of the Nassau County Fire Prevention Ordinance. A functionality test will be performed on an average of 2.5 tanks located at 200 of the total 1,000 gas stations in Nassau County. A \$160 charge per test will be incurred by the service station. The FY 08 revenue budget includes \$80,000 as a result of this new fee. Due to the level of staffing and the timing requirements to implement and enforce the functionality tests, the additional revenue appears optimistic.

The increase in revenue of \$158,000 is made up of increases in investment income, departmental revenue and state aid which have been offset by a small decrease in property tax. Department revenues are increasing \$137,000 from \$5.4 million in FY 07 to \$5.5 million in FY 08. 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.

On June 18, 2007, the Nassau County Legislature amended the Nassau County Fire Prevention Ordinance to increase fees for regulatory services and licenses, effective on October 1, 2007. The FY 07 projection for department revenue is anticipated to fall short by approximately \$50,000 due to the delayed passing of the legislation.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BE Investment Income	\$0	\$15,000	\$60,000	\$60,000	\$60,000	\$45,000
BG Revenue to offset Exp	\$0	\$20,000	\$26,376	\$26,376	26,376	6,376
BW Interfund Charges	\$0	\$146,208	\$14,947	\$48,826	48,826	(97,382)
BF Rents and Recoveries	0	\$66,260	0	0	0	(66,260)
BH Department Revenues	5,363,830	5,313,830	5,500,830	5,500,830	137,000	187,000
SA State Aid - Reimb	120,000	120,000	150,000	150,000	30,000	30,000
TL Property Tax	15,698,706	15,698,706	15,698,706	15,554,824	(143,882)	(143,882)
<b>Grand Total</b>	<b>\$21,182,536</b>	<b>\$21,380,004</b>	<b>\$21,450,859</b>	<b>\$21,340,856</b>	<b>\$158,320</b>	<b>(\$39,148)</b>

State aid is increasing by \$30,000 from the FY 07 budget. State aid is made up of tuition reimbursements from NYS for teaching emergency medical courses for emergency service providers which serve the communities within Nassau County. The rise is due to an increase in students taking the emergency medical courses.

The revenue budgeted at \$27,000 to offset expenses includes reimbursement for Medicare Part-D drug prescription program. The FY 08 budget for interfund charges includes the Fire Commission's allocation of the pension reserve.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	114	113	111	107	113	5.6%
Salaries	\$9,072,761	\$9,477,974	\$9,654,686	\$10,102,448	\$10,429,024	3.2%
Fringe	2,951,961	3,221,723	3,192,630	3,537,479	3,663,915	3.6%
Misc OTPS	468,027	320,405	213,426	297,520	314,810	5.8%
Contractual Exp	4,410,983	4,184,904	4,075,385	4,237,675	4,238,375	0.0%
Debt Service Chgbacks	2,901,284	659,680	752,128	687,129	488,887	-28.9%
Inter-department charge	1,870,365	2,457,194	1,898,115	2,478,922	2,205,845	-11.0%
Transf to Gen	313,814	0	1,971,299	0	0	0.0%
<b>Total</b>	<b>\$21,989,196</b>	<b>\$20,321,880</b>	<b>\$21,757,669</b>	<b>\$21,341,173</b>	<b>\$21,340,856</b>	<b>0.0%</b>

As shown in the headcount chart above the headcount has varied from a high of 114 in FY 04 to a projected low in FY 07 of 107. The increased salaries from FY 04 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 remained fairly steady from \$4.4 million in FY 04 to \$4.2 million in FY 08. Contractual services include the department’s contract with Vocational Education and Extension Board (VEEB). The decline in FY 05 miscellaneous OTPS can be attributed to the transfer of beeper pay, supper money and memberships from the general expenses budget into the salary budget.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$9,973,957	\$10,102,448	\$10,429,024	\$10,429,024	\$455,067	\$326,576
AB	Fringe Benefits	3,350,838	3,537,479	3,725,212	3,663,915	313,077	126,436
	<b>Total PS</b>	<b>13,324,795</b>	<b>13,639,927</b>	<b>14,154,236</b>	<b>14,092,939</b>	<b>768,144</b>	<b>453,012</b>
BB	Equipment	129,671	60,000	76,150	76,150	(53,521)	16,150
DD	General Expenses	362,520	237,520	238,660	238,660	(123,860)	1,140
DE	Contractual Services	4,237,675	4,237,675	4,238,375	4,238,375	700	700
	<b>Total OTPS</b>	<b>4,729,866</b>	<b>4,535,195</b>	<b>4,553,185</b>	<b>4,553,185</b>	<b>(176,681)</b>	<b>17,990</b>
HD	Debt Svc Chargebacks	648,953	687,129	488,887	488,887	(160,066)	(198,242)
HF	Inter-Dept. Charges	2,478,922	2,478,922	2,205,845	2,205,845	(273,077)	(273,077)
	<b>Grand Total</b>	<b>\$21,182,536</b>	<b>\$21,341,173</b>	<b>\$21,402,153</b>	<b>\$21,340,856</b>	<b>\$158,320</b>	<b>(\$317)</b>

The FY 08 expenditure budget is projected to increase by \$158,000 from FY 07 to \$21.3 million in FY 08 due to personnel services. Salaries are increasing by \$455,000 from \$10.0 million in FY 07 to

\$10.4 million in FY 08. The salary budget includes a cost of living adjustment (COLA) and step increases for CSEA union employees and increased overtime. The FY 08 salary projection is \$10.1 million or \$128,000 over budget due to overtime. The overtime projection currently results in a deficit of \$441,000 however this has been offset by \$350,000 from unfilled vacancies. According to the department, the additional overtime is due to the minimum staffing at Fire Communications for emergency response. Overtime is also utilized to generate revenue through emergency light testing and accelerated test inspections.

The debt service chargebacks is decreasing by \$160,000 to \$489,000 in FY 08 due to old debt maturing faster than the added new debt. Inter-departmental charges are decreasing by \$273,000 to \$2.2 million in FY 08 due to reduced information technology, telecommunication and building occupancy charges.

The fringe budget for the Fire Commission is increasing by \$313,000 from \$3.4 million to \$3.7 million in FY 08 due mostly to higher health insurance cost and accurate budgeting of pension contribution cost. The FY 08 budget for health insurance includes a growth rate of 7% for active health insurance and 5.25% for retired health insurance. The growth rate assumption is higher than New York State’s most recent health insurance optimistic rate projection but lower than NYS’s best estimate rate projection. In the past rates have finalized closer to the optimistic scenario. Although the FY 07 pension bill was finalized lower than the FY 07 budget, the Fire Commission budget for pension costs are increasing in FY 08 because the FY 07 pension budget for Fire Commission is under funded.

Other than personal services are decreasing by \$177,000 from the FY 07 budget which reflects the Administration’s overall reduction in other than personal services. As a result of the reduction in the equipment and general expenses budget, the Fire Commission will be unable to purchase additional uniforms, hazardous material equipment, and furniture. The general expenses budget of \$239,000 includes postage and postage delivery, educational and training supplies, communication supplies, equipment maintenance, clothing and uniform supplies, travel expense, copy paper and miscellaneous supplies.

The contractual services budget remains at \$4.2 million. Contractual services include the County’s contract with the 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), NUMC to perform annual physicals and fire safety courses at local schools and organizations.

<b>Fire Commission Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time staffing	115	107	113	113	(2)	6
Part-time and Seasonal	27	27	27	27	0	0

The FY 08 budget is a decrease of two full-time positions from the FY 07 budget and an increase of six full-time positions from the September 1, 2007 current staffing level. Part-time and seasonal positions remain unchanged from FY 07. In FY 07, the Legislature granted the Fire Commission two additional clerical positions due to the department's testimony to the Legislature on September 25, 2006. The Department testified that the additional clerks would help generate revenue by expediting the processing of fire alarm permits. The Fire Commission has been unable to fill Clerk Steno positions because a canvas list is unavailable from Civil Service. Therefore in FY 08 the department plans to fill the vacant clerical positions with Clerk Typist I's. Since the FY 08 budget allocates funding for the Clerk Steno title, there should be a small budgetary savings from hiring a Clerk Typist I at a lower pay grade. In addition, The FY 08 budget also eliminates two vacant Fire Marshal positions.

The FY 08 budget eliminates two vacant Fire Marshal positions from FY 07. Since 2001, the Fire Commission has continued to lose Fire Marshals. As of October 1, 2007, there are 59 Fire Marshal's on board which is a decline of 11 positions since January 1<sup>st</sup> 2001. The department continues to stress that the loss of personnel; particularly Fire Marshals will have a negative impact on the Commission's ability to act as a Public Safety enforcement agency and their ability to generate revenue. The Commission generates additional revenue from such items as emergency light testing. Due to the current staffing, the Fire Commission is performing approximately 5% of the emergency light tests that are required by the New York State Uniform Fire Prevention and Building code and the Nassau County Fire Prevention Ordinance. According to the department, the lost revenue from one Fire Marshal who usually performs three lightening tests in one day is approximately \$108,000.

In addition, the department continues to operate with a staff that has significant years of service, many of whom are close to retirement. According to the department, within the next five years, at least 25 employees will be eligible for retirement, of which 14 are Fire Marshalls.

## DEPARTMENT OF HEALTH

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 members of the Board of Health oversee all activities and staff.

### **HHS Administrative Consolidation**

The FY 08 budget includes \$850,000 in savings from the HHS Administrative Consolidation initiative. The initiative reorganizes eight departments to maximize revenue, minimize administrative expense, enhance client service delivery and improve the continuity of internal support services within the vertical. A portion of the savings is generated through interdepartmental service agreements with the Department of Social Services (DSS). Certain services performed by various County departments are considered by New York State to be "Information & Referral Services" (I & R) that these departments are required to provide to the public. If the costs of these services are borne by the then reimbursement can be claimed. DSS has entered into inter-departmental service agreements, as purchaser of I & R, with the Department of Drug and Alcohol, the Department of Senior Citizens, the Office of Veterans Services, and the Office for the Physically Challenged. The remaining savings are generated from the assignment of Article 6 related costs from the Youth Board to the Health Department, cost reduction from the merger of the Pre-School Education and Early Intervention Programs into the Health department and administrative consolidations within Social Services for shared services and revenue maximization efforts.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	239	235	245	245	231	-5.7%
Salaries	\$15,042,444	\$16,212,696	\$16,651,169	\$16,596,658	\$17,577,400	5.9%
Misc OTPS	2,277,451	1,847,058	1,530,479	1,583,738	1,637,250	3.4%
Contractual Services	49,219,025	6,205,256	6,821,783	6,593,000	7,386,580	12.0%
Inter-depart charges	1,279,448	2,954,072	4,810,069	25,000	5,903,660	23514.6%
Early Inter./Spec. Ed.	0	39,720,288	154,860,306	159,033,300	164,854,965	3.7%
<b>Total</b>	<b>\$67,818,368</b>	<b>\$66,939,371</b>	<b>\$184,673,806</b>	<b>\$183,831,696</b>	<b>\$197,359,855</b>	<b>7.4%</b>

From a historical point of view total expenditures have increased significantly from \$67.8 million in FY 04 to \$197.4 million in FY 08. The considerable rise in FY 06 is due to the transfer of Pre-school Education services from the Mental Health Department into the Health Department. Of the \$164.9 million in the Early Intervention/Special Education services, \$120.9 million is for the Pre-school Education program. The drop in contractual expenses from FY 04 is due to the re-classification of all provider contracts in Early Intervention. In FY 05, the County created a new code for contracts in Early Intervention and Pre-school, Early Intervention/Special Education (PP). In 2004, contractual services for Early Intervention were roughly \$44.0 million. Miscellaneous OTPS expenditures have varied from a low of \$1.5 million in FY 06 to a high of \$2.3 million in FY 04. The drop in miscellaneous OTPS

expenses in FY 05 is due to the health and human services scanning project which was charged to the FY 04 Health Department budget. The jump in FY 06 interdepartmental charges is due to increased administrative indirect charges.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$17,837,184	\$16,596,658	\$18,305,006	\$17,577,400	(\$259,784)	\$980,742
BB	Equipment	27,566	25,155	123,166	23,166	(4,400)	(1,989)
DD	General Expenses	1,735,379	1,558,583	1,614,084	1,614,084	(121,295)	55,501
DE	Contractual Services	6,593,000	6,593,000	7,386,580	7,386,580	793,580	793,580
HH	Interfund Charges	25,000	25,000	25,000	25,000	0	0
PP	Early Int./Special Edu.	153,522,441	159,033,300	165,354,965	164,854,965	11,332,524	5,821,665
	<b>Total OTPS</b>	<b>161,903,386</b>	<b>167,235,038</b>	<b>174,503,795</b>	<b>173,903,795</b>	<b>12,000,409</b>	<b>6,668,757</b>
HF	Inter-Depart Charges	5,583,689	5,688,689	5,878,660	5,878,660	294,971	189,971
	<b>Grand Total</b>	<b>\$185,324,259</b>	<b>\$189,520,385</b>	<b>\$198,687,461</b>	<b>\$197,359,855</b>	<b>\$12,035,596</b>	<b>\$7,839,470</b>

Salaries are decreasing from the FY 07 adopted budget by \$260,000 or 1.5%. The salary decrease is related to the removal of unfilled positions from FY 07. The FY 07 projection for salaries is currently producing a surplus of \$980,742 in the current year due to 22 unfilled vacant positions compared to the FY 07 budget. The FY 08 proposed budget is sufficient for the current level of staffing and all positions budgeted for FY 08. The \$17.6 million salary budget includes a cost of living adjustment (COLA) and step increase for CSEA union employees.

Other than personal services is increasing by \$12.0 million which is mostly attributed to the increase in the Pre-School Education budget. The Pre-school Education budget is increasing from \$107.5 million in FY 07 to \$120.9 million in FY 08. The FY 08 increase is attributed to greater pre-school costs, itinerant services, summer school program, transportation costs, evaluations and administrative costs. The number of children enrolled in the Pre-school Education program is projected to increase from 6,700 in 2006 to 7,000 children in 2007. Itinerant services which are special one on one sessions for the students, are increasing by \$6.6 million. Transportation costs are increasing in FY 07 by \$708,000. The department pays for transportation of children to the center based schools. Evaluations are increasing by \$386,200. The department is responsible for 10% of the summer school program for children ages three through five years. The summer school program is increasing by \$150,000 to \$1.6 million.

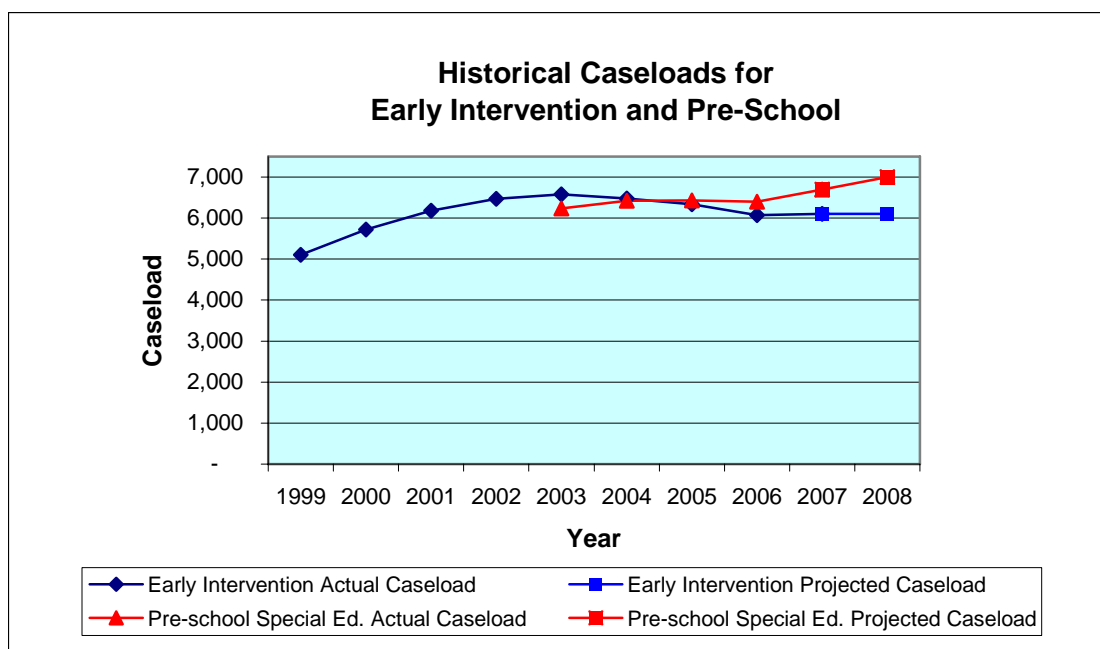
The FY 08 budget is increasing by a considerable amount because the FY 07 adopted budget had been underestimated. As a result of greater Pre-School school costs and retroactive rate increases for pre-school providers, the FY 07 projection of \$159.0 million for Early Intervention/Special Education is over the FY 07 budget by \$5.5 million. The Pre-School Education program is a State mandated program



over which the County has no control thereby making it difficult to project expenses. At the state's discretion, pre-school rate increases as well as retroactive charges are sent to the counties with no warning.

The FY 08 budget for Early Intervention is \$46.0 million which is a decrease by \$1.5 million or 6.5% from the FY 07 budget. The number of children served in the program has increased at a slower rate than anticipated over the last three years as can be seen from the chart below. The projected case load for FY 08 remains unchanged at 6,100 from FY 07 for Early Intervention.

The following chart provides the historical caseload data from FY 99 to projected FY 08 for the Early Intervention program and data from FY 03 to projected FY 08 for the Pre-School program. Under the Pre-School program the caseload data from 2003-2006 are subject to revision since the years have not been closed. The data collected from the Health Department was not available from 1999 through 2003.



General expenses are decreasing by \$121,000 or 7.0%, reflecting the Administration's reduction in most OTPS expenses. Decreases include medical supplies for Public Health and Children's Early Intervention. This is partially offset by an increase in Administrative office supplies. Administration expenses include costs for record imaging, legal notices, messenger fees and office supplies.

The contractual services FY 08 budget of \$7.4 million is a 12% increase from the FY 07 budget. The increase is to support the \$820,000 "Common Sense for the Common Good" initiative. The initiative is a three year project to help prevent unintended pregnancies and support women who face unintended pregnancies. Although this initiative began in FY 06, funding will not begin until this year in FY 07. Therefore it will be used in FY 07. FY 08 represents only the second year's allotment of funds. The following chart displays the providers and the amount of funding each will receive from FY 08 funding.

<b>Common Sense for the Common Good Contracts</b>	
Boces (Garden City)	\$85,000
Cedarmore Corporation	\$70,000
Long Beach Reach	\$59,255
Planned Parenthood	\$95,000
Spence-Chapin	\$83,334
Schneider's Children's Hospital	\$97,000
Catholic Charities	\$156,930
Momma's House	<u>\$173,070</u>
	\$819,589

Additional funding of \$25,000 included in contractual services has been allocated to initiate an evidence based successful Nurse-Family Partnership Program to improve the physical, mental, social and educational health, growth and development of infants and children. By investing \$25,000, the County is eligible to receive \$400,000 in grants from the State and the Rauch Foundation. In addition contractual services include \$10,000 for a Minority Health Task Force to remedy health care disparities. The majority of contractual services reside in the Public Health control center.

The \$5.0 million payment made to the Nassau Health Care Corporation, as per the acquisition agreement continues to reside in contractual services. 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.

Interdepartmental charges are increasing from \$5.6 million in FY 07 to \$5.9 million in FY 08. Interdepartmental charges represent costs incurred by other departments on behalf of the Health Department. These charges include printing and graphics, postage, information technology, record management, purchasing, building occupancy charges and workers compensation costs.

Interfund charges remain flat at \$25,000. These charges are paid to Nassau Community College for specialized training classes.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center		Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs FY 07	Variance Exec. vs Request
10	Administration	\$7,493,989	\$7,768,787	\$7,449,578	(\$44,411)	(\$319,209)
20	Environmental Health	7,572,858	8,046,779	7,692,932	120,074	(353,847)
30	Laboratory Research	2,615,021	2,659,855	2,566,874	(48,147)	(92,981)
40	Public Health	9,056,253	9,622,295	9,622,295	566,042	0
51	Children Early Interv Services	50,621,391	49,691,831	49,130,262	(1,491,129)	(561,569)
54	Pre-School Special Education	107,964,747	120,897,914	120,897,914	12,933,167	0
<b>Total</b>		<b>\$185,324,259</b>	<b>\$198,687,461</b>	<b>\$197,359,855</b>	<b>\$12,035,596</b>	<b>(\$1,327,606)</b>

The control center for Pre-school Education is the largest component of the Health Budget. This control center is budgeted for \$120.9 million in 2008, which is an increase of \$12.9 million from FY 07. Pre-school 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.

The second largest budget is Early Intervention program carrying \$49.1 million in expenses. 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 a 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.

Administration includes all administrative support, fiscal management, revenue receipt, and preparation of State and Federal Aid claims, human resources, community health assessment, staff development, information technology and public information functions. Administration is minimally decreasing by \$44,000 to \$7.4 million.

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 1.6% increase in Environmental Health is due to increased interdepartmental charges for information technology.

Laboratory Research provides clinical and environmental laboratory services to access community health. The budget for Laboratory Research remains stable at \$2.6 million.

Public Health includes all personal and public health services. Public Health is increasing by \$566,042 due to the second allotment of \$820,000 in funding for the "Common Sense for the Common Good" initiative.

<b>Health Department Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
<b>CC Full-time Staffing</b>						
10 Administration	33	28	32	31	(2)	3
20 Environmental Health	95	90	95	87	(8)	(3)
30 Public Health Laboratories	24	21	22	21	(3)	0
40 Public Health	29	24	25	25	(4)	1
51 Child Early Interven.	60	56	60	59	(1)	3
54 Pre-School Education	8	8	8	8	0	0
<b>Total Full-time</b>	<b><u>249</u></b>	<b><u>227</u></b>	<b><u>242</u></b>	<b><u>231</u></b>	<b><u>(18)</u></b>	<b><u>4</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	9	8	8	8	(1)	0
20 Environmental Health	18	18	18	18	0	0
30 Public Health Laboratories	3	3	3	3	0	0
40 Public Health	2	2	2	2	0	0
54 Pre-School Education	0	0	2	0	0	0
<b>Total Part-time and Seasonal</b>	<b><u>32</u></b>	<b><u>31</u></b>	<b><u>33</u></b>	<b><u>31</u></b>	<b><u>(1)</u></b>	<b><u>0</u></b>

The FY 08 budget is decreasing by 18 fulltime positions and one part time position from the FY 07 budget. However it is four positions greater than the current staffing level. Vacant positions that were eliminated include a Deputy Commissioner of Health, an Environmental Health Biologist, Medical Technician, Registered Nurse, Epidemiologist, Public Health Educator, Programmer Analyst, Medical Social Worker, various clerical titles and Sanitarians. A technical adjustment will be proposed by the Administration to add three Sanitarians and their associated salaries that are currently on board but were erroneously removed from the proposed budget. These Sanitarian trainees will become Sanitarian I's in FY 08.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Permits & Licenses	\$3,502,665	\$3,799,792	\$3,744,266	\$3,717,580	\$3,772,900	1.5%
Fines & Forfeits	260,660	232,825	297,115	225,000	230,000	2.2%
Rents & Recoveries	4,252,902	4,222,229	1,319,985	50,000	50,000	0.0%
Department Revenues	7,600,179	7,185,673	10,124,691	8,901,900	9,265,900	4.1%
Interfund Charges	0	0	13,334	101,058	145,394	43.9%
State Aid	24,621,251	24,592,046	90,809,055	93,558,916	99,057,722	5.9%
<b>Total</b>	<b>\$40,237,657</b>	<b>\$40,032,566</b>	<b>\$106,308,446</b>	<b>\$106,554,454</b>	<b>\$112,521,916</b>	<b>5.6%</b>

Historically, revenue has increased from \$40.2 million in FY 04 to \$112.5 million proposed in FY 08. The significant rise in FY 06 results from the transfer of Pre-school Education services from the Mental Health Department into the Health Department. This increase is reflected in State aid which provides 59.5% State reimbursement for Pre-school expenditures. Permits and licenses have varied slightly from \$3.5 million in FY 04 to \$3.7 million in FY 07. The increase in FY 05 permit and license revenue is due to increased fees from food service establishments, increased Article XI facility fees and other increased fees for the public health lab, lifeguard certification, recreational facilities and x-ray equipment inspections. Department revenues have varied from \$7.6 million in FY 04 to \$8.9 million in FY 07. The \$2.9 million rise in FY 06 from FY 05 department revenues is partly due to Medicaid receipts for Pre-School education. Rents and recoveries are received for disencumbrances of prior year encumbrances and have varied significantly \$4.2 million in FY 05 to \$50,000 in FY 07.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted</b>	<b>OLBR</b>	<b>FY 08</b>	<b>FY 08</b>	<b>Variance</b>	<b>Variance</b>
	<b>FY 07</b>	<b>FY 07</b>	<b>Dept.</b>	<b>Exec.</b>	<b>Exec. vs</b>	<b>Exec. vs</b>
	<b>Budget</b>	<b>Projection</b>	<b>Request</b>	<b>Budget</b>	<b>Adopted 07</b>	<b>FY 07 Proj.</b>
BC Permits & Licenses	3,717,580	3,717,580	3,772,900	3,772,900	55,320	55,320
BD Fines & Forfeits	225,000	225,000	230,000	230,000	5,000	5,000
BF Rents & Recoveries	50,000	50,000	50,000	50,000	0	0
BH Department Revenues	8,901,900	8,901,900	9,265,900	9,265,900	364,000	364,000
BW Interfund Charges	101,058	101,058	145,394	145,394	44,336	44,336
SA State Aid	90,992,338	93,558,916	99,344,265	99,057,722	8,065,384	5,498,806
<b>Total</b>	<b>\$103,987,876</b>	<b>\$106,554,454</b>	<b>\$112,808,459</b>	<b>\$112,521,916</b>	<b>\$8,534,040</b>	<b>\$5,967,462</b>

The FY 08 revenue budget is increasing from the FY 07 budget by \$8.5 million to \$112.5 million due primarily to state aid. The rise in state aid corresponds with increased preschool education expenditures. The department receives 59.5% state aid reimbursement for approved services for education, related services, evaluations and transportation costs. The department also receives 50% state aid reimbursement for Children's Early Intervention services. State aid reimbursement for Children's Early Intervention services is decreasing \$679,089 as a result of decline in early intervention costs.

Permits and licenses, at \$3.7 million, are increasing minimally by \$55,000 from FY 07. Permits and license fees includes fees charged for the Food Establishment Inspection Program, Hazardous Materials registration fees under Article XI Program, 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, and tattoo parlor and lifeguard certifications. The largest revenue source in Environmental Health is from food establishments which are budgeted at \$2.2 million. The Health Department is required under the New York State Sanitary Code to regulate food service establishments within its jurisdiction by conducting field inspections and investigations and permitting the establishment. There are approximately 5,600 establishments. Fees collected from the Hazardous Materials Article XI program are budgeted at \$989,000, an increase of \$54,000 over FY 07.

Fines and forfeitures is budgeted at \$230,000 in FY 08. 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.

Department revenues is increasing \$364,000 to \$9.3 million in FY 08, due primarily to Medicaid fees from Early Intervention. The chart below details the revenue sources that make up department revenues in the Health Department.

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 06 Actual</b>	<b>FY 07 Budget</b>	<b>FY 07 Projected</b>	<b>FY 08 Proposed</b>
Miscellaneous Receipts	1,702,485	1,765,000	1,765,000	1,704,000
Fees	65,242	57,500	57,500	57,500
Patient Receipts	52,219	75,000	75,000	0
PHCP Receipts	940	400	400	400
Fringe Benefits From Grants	5,451	0	0	0
Charges to Grants	220,036	0	0	0
Medicaid Receipts	350,000	0	0	0
Pre-School Medicaid	1,024,034	1,500,000	1,500,000	1,500,000
Medicaid Fees, Early Intervention	6,700,083	5,500,000	5,500,000	6,000,000
Disease Control	4,200	4,000	4,000	4,000
<b>Grand Total</b>	<b>\$10,124,691</b>	<b>\$8,901,900</b>	<b>\$8,901,900</b>	<b>\$9,265,900</b>

The FY 08 budget for department revenues in the Health Department consists of miscellaneous receipts, fees, patient receipts, Pre-School Medicaid receipts, Medicaid fees for Early Intervention and disease control. The bulk of department revenues at \$5.5 million result from Medicaid fees for early intervention. Medicaid is billed for Early Intervention services that are provided to children enrolled in Medicaid. The second largest revenue source at \$1.8 million is miscellaneous receipts which is reimbursement from insurance companies when the County bills for Early Intervention services that were provided to children. Services that are billed include screening and evaluations, home visits, office

visits and family support groups. Department revenues also includes fees, patient receipts and Physically Handicapped Children’s Program (PHCP) receipts. Fees under the Public Health Laboratory are charged for laboratory tests that are performed for outside providers. The FY 07 projection includes \$75,000 in patient receipts for reimbursement that the County receives from Medicare for senior Citizens who receive the flu vaccination. This revenue source has been removed from the FY 08 budget because going forward the vaccination will be purchased by the Medical Center.

**Out-Year Initiatives**

The following out-year initiatives have been included in the FY 08 – 11 Multi-Year Financial Plan. All four initiatives start in FY 09 and will require the work of one full-time Clerk. The revenue estimates below represent the net benefit after hiring one clerk and an amount to offset state aid. The fee increases are included in the Department’s fee and revenue Health Plan which is approved by the State Department of Health.

NAME	FY 2009	FY 2010	FY 2011
Day Camp Inspection Fees	\$78,000	\$78,000	\$78,000
Pre-Demolition Site Inspection Fees	\$67,000	\$67,000	\$67,000
Realty Subdivision Fee	\$25,000	\$25,000	\$25,000
Tanning Salon Fees	\$4,000	\$4,000	\$4,000

The Multi Year Financial plan includes \$78,000 in revenue from FY 09-011 **for day camp inspection fees**. Currently, day camps pay a permit fee which is limited to \$100 under the NYS Sanitary Code. This fee is an additional inspection fee which will vary from \$545 to \$2,125 based upon the size of the camp and the presence of a swimming pool and/or food service facility. There are currently 135 day camps in Nassau County that will be charged the new fee.

**Inspection fees for pre-demolition site inspections** are new fees to charge property owners who obtain demolition approval certificates from the Health Department. Currently there is no fee charged when the Health Department conducts inspections of sites where demolition of old structures is required prior to new construction projects. The revenue estimate is based on 700 inspections at a fee charge of \$150.

The initiative to **increase realty subdivision fees** is \$25,000 in FY 09 through FY 11. Currently the Health Department reviews the design and installation of on-site private sewage disposal facilities for realty subdivisions and commercial projects. The Health Department proposes to increase the fee by \$75 per lot which will increase the fee for a sewerred lot to \$250 per lot and the fee for an unsewerred lot to increase to \$300 per lot. The Health Department estimates the revenue based on 500 lots, that is subject to construction and development conditions in Nassau County.

The revenue estimate of \$4,000 **to implement permit and inspection fees for tanning salons** is based on a \$30 permit fee and \$10 per bed inspection. The Health department regulates the operation of tanning salons in Nassau County. Currently no fee is charged to tanning facilities. The permit would cover a two year period and inspections would be made every two years.

## 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 (ESG), 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 are federal funds used 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.



**Figure 1 - Coes Neck Park, Village of Baldwin**

The budget for OHIA in the General Fund consists 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 to 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.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Rents & Recoveries	\$0	\$159	\$450	\$337	\$0	-100.0%
Revenue to Offset Exp.	0	0	0	0	450,000	*****
Interfund Charges	0	356,750	841,274	586,388	589,044	0.5%
Federal Aid	0	118,214	49,547	0	1,000,000	*****
State Aid	0	0	0	11,427	865,000	7469.8%
<b>Total</b>	<b>\$0</b>	<b>\$475,123</b>	<b>\$891,271</b>	<b>\$598,152</b>	<b>\$2,904,044</b>	<b>385.5%</b>

The Office received no revenue in the General Fund in FY 04. In FY 05 the Office had \$118,373 in revenue, excluding inter-fund charges, primarily from federal aid. In FY 06 and FY 07 the proposed budget included \$600,000 in revenue from federal aid, but it was not earned. In FY 08 the \$450,000



offset to expenses is part of the Coes Neck remediation project. It represents OHIA's estimation of the developer's share of the total remediation cost.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>	
BF Rent & Recoveries	\$0	\$337	\$0	\$0	\$0	(\$337)	
BG Revenue Offset To Expense	0	0	450,000	450,000	450,000	450,000	
BH Department Revenues	0	150	0	0	0	(150)	
BW Interfund Charges	608,597	586,388	589,044	589,044	(19,553)	2,656	
FA Federal Aid Reimb. Exp.	600,000	0	1,000,000	1,000,000	400,000	1,000,000	
SA State Aid - Reimb. Exp.	1,800,000	11,427	865,000	865,000	(935,000)	853,573	
<b>Total</b>	<b>\$3,008,597</b>	<b>\$598,302</b>	<b>\$2,904,044</b>	<b>\$2,904,044</b>	<b>(\$104,553)</b>	<b>\$2,305,742</b>	

The \$20.4 million in HUD funding for CDBG, HOME and ESG programs for the FY 2007-08, 33rd program year is reflected in the Grant Fund, not the General Fund operating budget. The 2008 General Fund revenue budget for OHIA is \$2.9 million which is made up primarily of federal and state grants. The largest portion of 2008 revenue is \$1.0 million in federal aid which is part of the Environmental Protection Agency (EPA) Revolving Fund Loan which are loans to be issued on a contractual basis. The \$600,000 in federal aid budgeted in 2007 was based on estimates of grants for which the department had applied. Unfortunately, none was awarded which is reflected in OLBR's projection. Correspondingly, the contractual services 2007 projection has declined. The \$450,000 in the FY 08 budget for revenue offset to expense, as mentioned above, is part of the Coes Neck Remediation.



Figure 2 - Pond at Coes Neck Park

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 the property.

The Coes Neck Remediation Project is part of the Brownsfield Redevelopment Initiative. The original clean-up budget was budgeted at \$4.9 million, of which \$1.8 million was to be received in the form of state aid reimbursement, budgeted in 2006. The original estimates were done prior to the Phase 1 and Phase 2 environmental assessments. The FY 08 budget reflects the current estimate. The project is still in pre-development stage and the department estimates the project could take about 12-18 months. The Office stated that they "are

determining whether or not any further assessment of the property is needed based on community sentiment. There has been a request for additional assessment on the site and we are trying to determine whether or not that is a prudent use of funds. The remediation itself will probably commence sometime in the second half of the year.”

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 former 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 other County agencies and corporations should be included in the appropriate department in the County’s General Fund budget. As a result, an interfund 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 interfund charges (BW) in the amount of \$589,044 in FY 08.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	11	13	11	10	10	0.0%
Salaries	\$641,472	\$1,009,928	\$1,055,807	\$1,061,242	\$1,004,101	-5.4%
Misc OTPS	857,542	43,976	80,844	206,203	184,563	-10.5%
Contractual Services	275,059	174,561	34,500	75,000	2,500,000	3233.3%
<b>Total</b>	<b>\$1,774,073</b>	<b>\$1,228,465</b>	<b>\$1,171,151</b>	<b>\$1,342,445</b>	<b>\$3,688,664</b>	<b>174.8%</b>

Historical expenditures have fluctuated due to varying OTPS and contractual services expenses. The hike in 2008 reflects the dramatic \$2.4 million increase in contractual services. This is directly related to federal and state aid the office anticipates receiving in FY 08. Headcount in 2008 will remain constant with FY 07 projections.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$1,071,146	\$1,061,242	\$1,004,101	\$1,004,101	(\$67,045)	(\$57,141)
BB	Equipment	17,136	12,979	1,000	1,000	(16,136)	(11,979)
DD	General Expenses	235,192	193,224	183,563	183,563	(51,629)	(9,661)
DE	Contractual Services	2,595,000	75,000	2,825,000	2,500,000	(95,000)	2,425,000
	<b>Total OTPS</b>	<b>2,847,328</b>	<b>281,203</b>	<b>3,009,563</b>	<b>2,684,563</b>	<b>(162,765)</b>	<b>2,403,360</b>
HF	Inter-Depart Charges	539,221	539,221	493,759	493,759	(45,462)	(45,462)
	<b>Grand Total</b>	<b>\$4,457,695</b>	<b>\$1,881,666</b>	<b>\$4,507,423</b>	<b>\$4,182,423</b>	<b>(\$275,272)</b>	<b>\$2,300,757</b>

OLBR is projecting the FY 07 salaries to come in under the budget by \$9,904 mainly due to one budgeted full-time position that was vacated in the summer. The FY 07 proposed salaries budget is expected to decrease by \$57,141 when compared to OLBR's projection. This is directly related to the unfilled 2007 budgeted position. .

Contractual services in the amount of \$2.5 million comprise most of the FY 08 OTPS expense budget. A large portion of the remainder, \$183,563, is for general expenses. These costs are declining by \$51,629 due to lower advertising and printing expenses for the business development unit. The \$2.5 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. The \$95,000 reduction in FY 08 is related to the Minority Business Development Program. The FY 07 budget allocated \$75,000, reflected in the FY 07 projection, for consultants to assist with the aforementioned program. Although it was included in the FY 08 budget submission, it was cut. The remaining \$20,000 was a one-time expense relating to the Revolving Loan Fund.

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 Housing & Intergovernmental Affairs. The proposed budget charges of \$493,759 include \$179,298 for indirect charges, \$167,294 for information technology charges and \$66,154 for building occupancy charges.

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

	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	11	10	10	10	(1)	0

The proposed budget will fund 10 full-time positions, a decrease of one full-time position over the FY 07 budget. However, the proposed staffing is the same as the current headcount. The office was budgeted in 2007 with three deputy directors but only one position, deputy director of the business development unit became vacant in the summer and will remain unfilled. The office intended to fill the position and included it in its original budget submission. The PRF was not approved by the budget deadline so it was removed from the submission. The current number of employees working in OHIA funded through the Grant Fund is 65.

### Out-Year Initiatives

<b>NAME</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
NYS Empire Zones Program	\$2,000,000	\$4,000,000	\$6,000,000

The **NYS Empire Zones Program** initiative is based on the enactment of State legislation that allows Nassau County to participate in the New York State Empire Zone. The creation of the Empire Zone is intended to stimulate private business investment, private business development and job creation. The County is expected to realize an increase in sales and property tax collections if 1) the additional businesses that are attracted to the Empire Zone are established in previously vacant locations, and 2) newly created jobs are filled by individuals who will spend more money in Nassau County. The Administration anticipates as much as 500 new jobs to be created from the program.

According to economic theory, employers should choose to open their business in areas where there are low barriers to entry and sufficient resources to complete their required tasks. In Nassau County where taxes are high, such taxes create a barrier to entry for many businesses. It follows that the creation of an Empire Zone, where the level of taxation is reduced, should cause more businesses to locate in Nassau County. Indeed, economic research has found that the level of public services and taxes are a significant determinant of location decisions for residential households.<sup>1</sup>

In practice, it has been found that economic benefits of an Empire Zone vary greatly. In a March 9, 2004 audit of New York State Empire Zones located in Binghamton, Buffalo, Allegany County, Islip, Rochester, Syracuse, Tonawanda, and Yonkers, the State Comptroller found that:

<sup>1</sup> Uyar, Bulent and Kenneth H. Brown, "Impact of Local Public Services and Taxes on Dwelling Choice within a Single Taxing Jurisdiction: A Discrete Choice Model", Journal of Real Estate Research, 2005, Vol. 27, Issue 4, Pages 427-444.

1. 30% of the businesses that received tax breaks met or exceeded their job creation targets.
2. 47% of the businesses that received tax breaks created fewer jobs than promised.
3. 23% of the businesses that received tax breaks actually lost jobs.<sup>2</sup>

The Office of the State Comptroller subsequently released an audit of Empire Zones located in South Jamaica, Queens; East Harlem, Manhattan; and North Shore, Staten Island. The findings were as follows:

4. Fewer businesses were successful in the City than in the rest of the State. In all three City zones, more than 40% of businesses added no jobs or lost jobs, compared to 23% in the eight zones outside of the City.<sup>3</sup>

Thus, theory does hold true in some areas. However, the creation of an Empire Zone does not guarantee that any jobs will be created. It is important to note that the business faces decertification if it does not add a minimum of 50 net new jobs after the five year period. Based on these facts, it is difficult to quantify the projected revenue due to the early stage of the program so this initiative must be considered a risk.

The following chart illustrates the measures by which the office manages its performance.

<b>Performance Measurement</b>			
<u>Performance Measurement</u>	<u>2007 Target</u>	<u>2007 Projection</u>	<u>2008 Target</u>
Number of Regionally Significant Project applications received	10	8	12
Number of EZ-1 applications received	10	13	14
Number of Phase I & Phase II Environmental Site Assessments (ESA) completed. Number of completed ESA resulting in redevelopment	3	3	3

<sup>2</sup> "Audit Finds Poor Oversight of Empire Zone Tax Credits", Office of the New York State Comptroller, March 9, 2004.

<sup>3</sup> "Report Find Poor Oversight, Mixed Job Growth Results in Three New York City Empire Zones", Office of the New York State Comptroller, March 16, 2004.

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. One of its main objectives for 2007 is to centralize Human Resources.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	8	12	13	15	15	0.0%
Salaries	\$557,337	\$702,592	\$753,331	\$874,180	\$978,381	11.9%
Misc OTPS	40,000	76,435	39,196	80,751	91,500	13.3%
Contractual Services	52,000	386,148	79,000	118,700	65,000	*****
<b>Total</b>	<b>\$649,337</b>	<b>\$1,165,175</b>	<b>\$871,527</b>	<b>\$1,073,631</b>	<b>\$1,134,881</b>	<b>5.7%</b>

The chart above shows actual expenditures for the Human Resources Department since FY 04, with a projected amount for FY 07. The largest change historically has been in salaries due to the increase in headcount. The \$156,500 in the FY 08 budget for other-than personal services expenditures is designated primarily for training and employment advertising expenses.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$833,169	\$874,180	\$978,381	\$978,381	\$145,212	\$104,201
			0				
DD	General Expenses	80,751	80,751	91,500	91,500	10,749	10,749
DE	Contractual Services	118,700	118,700	65,000	65,000	(53,700)	(53,700)
	<b>Total OTPS</b>	<b>199,451</b>	<b>199,451</b>	<b>156,500</b>	<b>156,500</b>	<b>(42,951)</b>	<b>(42,951)</b>
	<b>Grand Total</b>	<b>\$1,032,620</b>	<b>\$1,073,631</b>	<b>\$1,134,881</b>	<b>\$1,134,881</b>	<b>\$102,261</b>	<b>\$61,250</b>

Salaries have increased from the FY 07 budget by \$145,212 as a result of the transfer of two additional full-time employees to support the implementation of the new employee information and automated time and leave system. This increase is offset by the reduction of one position. Also general expenses increased by \$10,749 from the FY 07 budget. These funds are utilized for outside contractors to help provide training seminars for management training, and organizational development. Contractual services have decreased from FY 07 due to a reduction in background investigations.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BI Capital Backcharges	216,183	0	0	220,500	4,317	220,500

The department requested \$220,500 to be charged back to the Information Technology department for the work that was done on the Human Resources Management System. The Human Resources Department has been involved in the selection process for the Time and Attendance System. The automated time and leave system is a web based attendance and tracking method which will allow employees to either log-in or phone in when they report and leave work and to record significant work functions performed. The system is intended to automate the manual payroll process and to allow for the collection, management, and distribution of labor data. The benefits include reduced payroll staffing, reduced payroll processing time, reduced unauthorized leave time, improved labor reporting, reduction of payroll inaccuracies, and the elimination of timesheets, storage and retrieval costs.

The basic cost is estimated to be between \$900,000 and \$1.2 million. This does not include in-house cost for on-going maintenance, which is estimated at about 20% of the purchase price. The Administration has stated that this expense is in the multi-year plan. Not included in the basic cost or in the plan are the expenses associated with the badges if a card swipe system is utilized or training time is required. This initiative was originally expected to begin in 2004 but was delayed due to lack of funding. The Administration claims that savings will result from a decreasing work force and because of efficiencies. Savings are being pushed out another year because this system should be implemented in conjunction with the new employee information system expected to take the place of NUHRS. The Information Technology Department has selected a vendor and intends to present a contract the Legislature within a few months. It is OLBR’s opinion that actual savings will be very difficult to achieve. This is mainly because the labor savings estimated by the Administration (elimination of about 200 timekeepers) will be very difficult to realize. During OLBR’s site visit to Boston, we were told that because of implementing the new Automated Time and Leave System the labor union was able to get a higher salary for all the timekeepers. The other savings estimated by the Administration would only occur if the entire work force were agreeable to use the new system (since this may be subject to Union negotiations).

The savings for the automated time and leave system are based on the experience of the provider. The majority of the savings comes from reduced leave time (employees’ inaccurately recording days off) and payroll inflation (inaccurate recording of the time worked in a particular day). While many of these efficiencies will probably be recognized to some extent, it is difficult to determine how much of the savings will be lost in the need to be more efficient in a greatly reduced workforce environment. Additional risks include possible issues with the unions and elected officials.

<b>Human Resources Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	14	15	15	15	1	0
Part-time and Seasonal	3	4	2	2	(1)	(2)

Staffing levels for full-time employees have increased by one position over the FY 07 budget. Part-time and seasonal headcount is decreasing by one from the FY 07 budget and decreasing by two from the September 1, 2007 actual.



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 Job Development Center provides job and training referrals, guidance and testing services to persons seeking employment or to upgrade their skills.

The Executive Director of the Commission has stated there is uncertainty in regard to support from the Administration in the form of additional personnel. Also, the recent overhaul of the board of the Human Rights Commission fuels the uncertainty related to the direction, goals and priorities of the board.

Historical Expenditures						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Full-time Headcount	10	10	10	10	10	0.0%
Salaries	\$523,520	\$572,233	\$570,649	\$702,332	\$843,294	20.1%
Misc OTPS	2,480	1,469	4,385	15,322	28,489	85.9%
Contractual Services	0	0	0	12,625	25,313	100.5%
<b>Total</b>	<b>\$526,000</b>	<b>\$573,702</b>	<b>\$575,034</b>	<b>\$730,279</b>	<b>\$897,096</b>	<b>22.8%</b>

As seen in the chart above, the Commission’s full-time headcount has remained flat since FY 04. Historically salaries have been the major portion of the department’s expense. The relatively large increase in FY 07 is due to the expansion of the Summer Aide program and lowered salary costs in FY 06 due to an employee being out on sick leave. Miscellaneous OTPS and contractual services have grown to represent a larger part of the budget. The growth in miscellaneous OTPS is primarily due to increases in office expenses, auto mileage, transcribing and briefs.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$811,220	\$702,332	\$843,294	\$843,294	\$32,074	\$140,962
BB	Equipment	5,855	2,843	5,928	5,928	73	3,085
DD	General Expenses	24,634	12,479	22,561	22,561	(2,073)	10,082
DE	Contractual Services	25,000	12,625	25,313	25,313	313	12,688
	<b>Total OTPS</b>	<b>55,489</b>	<b>27,947</b>	<b>53,802</b>	<b>53,802</b>	<b>(1,687)</b>	<b>25,855</b>
	<b>Grand Total</b>	<b>\$866,709</b>	<b>\$730,279</b>	<b>\$897,096</b>	<b>\$897,096</b>	<b>\$30,387</b>	<b>\$166,817</b>

The FY 08 expense budget is increasing by 4% or \$30,387. This increase is predominately due to change in the salary line. The FY 07 salary surplus is due to the following: 1) a Human Relations Rep. I is out on sick leave and receiving half pay most of the year 2) a Human Relations Rep. II went on 80% reduced schedule 3) a Spanish speaking investigator has not been hired as of yet. The specifications for this bilingual candidate have been rewritten to attract a greater pool of applicants. The FY 07 general expense line will be used to host a community education breakfast in the month of October. The breakfast is aimed at creating awareness of the Commission and the services it provides, and to discuss human rights law. The Commission plans on holding this forum on an annual basis. Also in the future plans of the Commission is a “road” show or community outreach regarding the open housing legislation. One of the stops on this tour will be the Freeport Recreation Center (with Erase Racism) and Long Island Housing Services (LIHS). The department hopes to perform this same outreach in Roosevelt, Uniondale, Hempstead and Malverne, to name a few.

The FY 08 Executive Budget contractual services line is remaining relatively constant. This includes funding for Administrative Law Judges and Spanish translators. The translator(s) will work with Commission documents and brochures. Spending for this contract will be approximately \$10,000.

Local Law 9-2006 which became effective January 1, 2007 focuses on three areas 1) local enforcement of County open housing legal protections 2) sets an administrative enforcement procedure for client and commission initiated complaints 3) sets procedure in which cases can be investigated and heard before an administrative law judge. To date there have been few inquiries, most in relation to Section 8. One housing discrimination case is currently in progress. A surplus in the FY 07 contracts line is due to the minimal number of housing cases.

<b>Commission on Human Rights Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	10	10	10	10	0	0
Part-time and Seasonal	2	38	2	2	0	(36)

Full-time and part-time headcount will remain at 10 and 2 respectively. The September 2007 part-time actual of 38 is comprised of one Clerk I part-time, one Human Relation Rep. I P/T and 36 Summer Seasonal Aides. The Summer Aid program assists underprivileged youths in finding summer employment. It has enabled a substantial number of young people to earn enough money to offset their yearly educational expenses.

Historical Revenue						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Rents & Recoveries	\$0	\$1,214	\$0	\$0	\$0	0.0%
Interfund Charges	0	0	0	50,000	50,000	0.0%
<b>Total</b>	\$0	\$1,214	\$0	\$50,000	\$50,000	0.0%

The chart above shows revenues realized by the Commission since FY 04. The rents and recoveries received in FY 05 was a recovery from a previous year’s encumbrance. Interfund charges are discussed below.

REVENUE BUDGET						
Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.
BW Interfund Charges	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$0

There is only one item in the Commission’s FY 08 proposed revenue budget. The \$50,000 interfund charges line represents Community Development Block Grant funding for the summer aid program provided via the Office of Housing and Intergovernmental Affairs.

The Human Rights Commission may receive funding from HUD if the County housing law is deemed substantially equivalent to the Federal law. If deemed equivalent, federal funding for enforcement costs of \$120,000 annually will be given for three years. Subsequently, funding ranging from \$2,500 to \$2,900 will be awarded on a per case basis. This potential revenue is not incorporated into the FY 08 budget due to pending approval requirements. The Commission plans to use this funding to obtain software critical to organizing, tracking and analyzing case data. If HUD funding does not materialize an alternative source would be necessary.

An application was submitted by the County Attorney in October 2006 for the equivalency certification under the Fair Housing Assistance Program. In July 2007 HUD sent an evaluation of the housing local law noting several items for review. The County plans on responding to these issues by the end of September 2007.

## OFFICE OF INFORMATION TECHNOLOGY

The Department of Information Technology, (DoIT), serves as the central point for planning, implementation and support of technology initiatives and infrastructure in the County. DoIT establishes strategic directions for technology and telecommunications, encourages cross agency collaboration for the mutual benefit of all and advocates best practices for operations and project management.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	94	96	100	90	100	11.1%
Salaries	\$8,886,393	\$8,840,306	\$8,621,741	\$9,081,932	\$9,894,430	8.9%
Misc OTPS	1,626,100	1,654,785	2,237,098	1,715,910	1,030,962	-39.9%
Contractual Services	5,595,796	4,712,204	5,812,620	7,819,056	9,163,438	17.2%
Utility Cost	5,098,000	5,717,577	4,001,830	4,909,602	4,882,944	-0.5%
Inter-depart Charges	849,523	873,713	1,561,133	1,595,556	2,387,361	49.6%
<b>Total</b>	<b>\$22,055,813</b>	<b>\$21,798,584</b>	<b>\$22,234,422</b>	<b>\$25,122,056</b>	<b>\$27,359,135</b>	<b>8.9%</b>

The salaries have gone from \$8.9 million with a headcount of 94 in FY 04 to \$9.1 million with a headcount of 97 projected in FY 07. The miscellaneous OTPS costs have gone down from a high of \$2.2 million in FY 06 to \$1.0 million in FY 08 due to reduced spending on hardware. The utility costs (communication expenses) have gone down from a high of \$5.7 million in FY 05 to \$4.8 million because some of the expenses have been shifted to the end user department. The interdepartmental charges have increased form \$850,000 in FY 04 to \$2.4 million due to increased building occupancy charges and indirect charges. Funding for contractual services is increasing over the years as the department adds programs and hardware that require maintenance support functions.



Data Center: Main Console Area



Data Center: Servers

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$9,192,419	\$9,081,932	\$9,894,430	\$9,894,430	\$702,011	\$812,498
BB	Equipment	95,200	78,546	35,000	35,000	(60,200)	(43,546)
DD	General Expenses	1,984,548	1,637,364	995,962	995,962	(988,586)	(641,402)
DE	Contractual Services	8,219,056	7,819,056	9,263,438	9,163,438	944,382	1,344,382
DF	Utility Costs	4,909,602	4,909,602	4,932,944	4,882,944	(26,658)	(26,658)
	<b>Total OTPS</b>	<b>15,208,406</b>	<b>14,444,568</b>	<b>15,227,344</b>	<b>15,077,344</b>	<b>(131,062)</b>	<b>632,776</b>
HF	Inter-Depart Charges	1,595,556	1,595,556	2,387,361	2,387,361	791,805	791,805
	<b>Grand Total</b>	<b>\$25,996,381</b>	<b>\$25,122,056</b>	<b>\$27,509,135</b>	<b>\$27,359,135</b>	<b>\$1,362,754</b>	<b>\$2,237,079</b>

The proposed budget for the salary related expenses of 112 full time employees is approximately \$9.9 million. This is fifteen employees over the September 1, 2007 full-time onboard positions. It should be noted that the funding for the new positions is for a partial year because of the time that it takes to hire a new employee.

The total proposed OTPS budget is \$131,000 less than the adopted FY 07 budget. The decrease is mostly the result of general expenses and equipment going from \$2.1 million in FY 07 to \$1.0 million in FY 08. The equipment account was used in recent years by IT to purchase computers for new employees and replacement computers for existing employees, County-wide. With the completion of that initiative, a decision was made that all new or replacement computers and related hardware for County agencies would be purchased through the Capital Fund. There is \$150,000 included in general expenses for education expenses. The department uses these funds to train IT employees, as well as other County personnel. 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 acquire new technical skill sets.

The contractual services category, budgeted at \$9.2 million is reflective of the cost of maintenance of software, systems and licensing increases. Additional maintenance contracts are utilized to support the use of supplemental staffing, as IT management analyzes what staffing and skill level is appropriate to serve the County’s technology needs.

Interdepartmental charges have been separated out of the OTPS budget for comparison purposes. These charges 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 08 interdepartmental charges are \$1.2 million for indirect charges, \$1.0 million for building occupancy charges, and \$115,000 for purchasing.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center	Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs FY 07	Variance Exec. vs Request
10 Administration	\$24,389,411	\$25,892,878	\$25,742,878	\$1,353,467	(\$150,000)
20 Internal Support Services	1,606,970	1,616,257	1,616,257	9,287	\$0
<b>Total</b>	<b>\$25,996,381</b>	<b>\$27,509,135</b>	<b>\$27,359,135</b>	<b>\$1,362,754</b>	<b>(\$150,000)</b>

DoIT has two control centers: Administration and Internal Support Services. Administration is increasing because of increased salary expenses and interdepartmental charges. Internal Support Services remains unchanged at \$1.6 million

**Office of Templates  
Staffing Analysis**

	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	93	90	100	100	7	10
20 Internal Support Services	11	7	12	12	1	5
<b>Total Full-time</b>	<b><u>104</u></b>	<b><u>97</u></b>	<b><u>112</u></b>	<b><u>112</u></b>	<b><u>8</u></b>	<b><u>15</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	0	1	0	0	0	(1)
20 Internal Support Services	2	0	0	0	(2)	0
<b>Total Part-time and Seasonal</b>	<b><u>2</u></b>	<b><u>1</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>(2)</u></b>	<b><u>(1)</u></b>

The FY 08 budget includes 112 full time positions, an increase of eight full time positions from the FY 07 budget. The two part time positions in FY 07 have been removed in FY 08. The department requested 112 full-time positions, all of which were granted by the Administration. This increase of 15 employees, as compared to the current actual headcount as of September 1, 2007, will allow DoIT to add some project/program management positions.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Rents & Recoveries	\$522,398	\$68,591	\$1,078,809	\$0	\$0	0.0%
Department Revenues	1,164,323	1,037,639	(113,503)	202,000	202,000	0.0%
Capital Chargebacks	262,948	195,345	277,197	2,401,290	2,801,290	16.7%
Interdepartmental Rev.	1,604,962	4,745,522	5,444,590	5,966,382	5,489,529	-8.0%
Interfund Charges	2,314	0	0	0	0	*****
State Aid	0	506,135	483,809	372,000	372,000	0.0%
<b>Total</b>	<b>\$3,556,946</b>	<b>\$6,553,232</b>	<b>\$7,170,902</b>	<b>\$8,941,672</b>	<b>\$8,864,819</b>	<b>-0.9%</b>

Interdepartmental 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 interdepartmental charge. The increase in interdepartmental revenue from FY 04 is indicative of the new Administration policy to charge back to more departments for the use of IT related services. In the past interdepartmental charges were only allocated to some departments. The decrease in the departmental revenue from FY 05 is due to the removal of charges to Correctional Center for reimbursement of inmate telephone usage.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BH Department Revenues	\$202,000	\$202,000	\$27,000	\$27,000	(\$175,000)	(\$175,000)
BI Capital Chargebacks	\$2,801,290	\$2,401,290	\$3,028,855	\$3,128,855	\$327,565	\$727,565
BJ Interdepartmental Rev.	\$5,966,382	\$5,966,382	\$5,376,054	\$5,376,054	(\$590,328)	(\$590,328)
SA State Aid - Reimb. Exp.	372,000	372,000	372,000	372,000	\$0	\$0
<b>Total</b>	<b>\$9,341,672</b>	<b>\$8,941,672</b>	<b>\$8,803,909</b>	<b>\$8,903,909</b>	<b>(\$437,763)</b>	<b>(\$37,763)</b>

Departmental revenues in FY 08 are budgeted at only \$27,000 due to decreased usage of GIS services by outside clients. Interdepartmental charges include information technology and telecommunication charges to Social Services for \$660,000, Senior Citizens \$195,000, Youth Board \$113,000, Police \$2.5 million, and Health Department \$787,000 in FY 08. Revenue from capital chargebacks is increasing by \$0.7 million compared to OLBR's projection to \$3.1 million. The line for capital chargeback is for IT staff that will be working on Capital Projects. The IT Department is reimbursed with capital dollars for the time spent on capital projects by these employees.

<b>Office of Information Technology Percentage of Staff Chargeback to Capital Expense</b>					
<b>Staff Titles 2007</b>	<b>Full-time postions</b>	<b>Average Proj. Chargeback %</b>	<b>Staff Titles 2007</b>	<b>Full-time postions</b>	<b>Average Proj. Chargeback %</b>
Accountant II	1	50%	Information Tech Aide	1	20%
Accountant III	1	10%	LAN Specialist I	2	25%
Central Programmer Analyst I	9	26%	LAN Specialist II	2	25%
Central Programmer Analyst II	6	27%	Network Analyst I	3	40%
Central Programmer Analyst III	4	23%	Network Analyst II	1	30%
Commissioner	1	20%	Programer I	4	25%
Communication Tech I	2	20%	Programer II	3	25%
Communication Tech II	1	20%	Project Manger I	3	80%
Data Center Manager	1	20%	Project Manger II	1	50%
Deputy Commissioner	5	44%	System Programmer I	4	20%
Director of Data Processing	1	50%	System Programmer II	1	50%
Information Network Manger	1	70%	System Programmer III	3	17%
Information Tech Specialist II	2	25%	System Programmer Intern	2	20%
<b>New Titles 2008</b>	<b>Full-time postions</b>	<b>Average Proj. Chargeback %</b>	<b>New Titles 2008</b>	<b>Full-time postions</b>	<b>Average Proj. Chargeback %</b>
Central Perogrammer Analyst II	1	10%	Business Analyst	1	70%
Project Manger I	1	80%	Info IT Spec I	1	50%
Project Manger I	1	80%	GIS Technician	1	10%

In FY 08 DoIT plans to chargeback at various percentages 71 positions, equating to approximately 23 fte's, for the work they will be performing on capital projects.



INVESTIGATIONS

The mission of the Department of Investigations is to investigate fraud, waste and abuse that affect the County’s finances, programs or services. The department identifies, investigates and attempts to remediate fraudulent activities or improper billing by contractors, vendors and consultants with whom the County does business.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	4	4	4	2	3	50.0%
Salaries	\$350,339	\$293,038	\$328,971	\$281,216	\$276,685	-1.6%
Misc OTPS	4,085	5,285	6,042	8,124	18,000	121.6%
Contractual Services	16,013	16,320	0	16,560	40,000	141.5%
<b>Total</b>	<b>\$370,437</b>	<b>\$314,643</b>	<b>\$335,013</b>	<b>\$305,900</b>	<b>\$334,685</b>	<b>9.4%</b>

The chart above shows the recent history of the annual expenses of the Department of Investigations. Over the past four years full-time staffing levels have remained at or below four employees. The salaries reduction in FY 05 was due to the elimination of part-time positions.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$388,304	\$281,216	\$276,685	\$276,685	(\$111,619)	(\$4,531)
BB	Equipment	6,131	3,000	6,000	6,000	(131)	3,000
DD	General Expenses	17,214	5,124	12,000	12,000	(5,214)	6,876
DE	Contractual Services	54,317	16,560	40,000	40,000	(14,317)	23,440
	<b>Total OTPS</b>	<b>77,662</b>	<b>24,684</b>	<b>58,000</b>	<b>58,000</b>	<b>(19,662)</b>	<b>33,316</b>
	<b>Grand Total</b>	<b>\$465,966</b>	<b>\$305,900</b>	<b>\$334,685</b>	<b>\$334,685</b>	<b>(\$131,281)</b>	<b>\$28,785</b>

The FY 08 budget is decreasing by 28.2% or \$131,281. The OTPS budget has a proposed cut of \$19,662 while salaries are cut by \$111,619. A reduction in full-time headcount is the cause of the decrease in salaries. A salary surplus of \$157,088 is expected for the current year. This is due to a few Special Investigator vacancies. OTPS will come under budget due to the reduced staffing level and the County freeze. The agency’s OTPS budget is built with the flexibility to handle unexpected cases.

Investigations Staffing Analysis						
	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Exceutive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	5	2	3	3	(2)	1

The FY 08 budget has decreased by two positions to three full-time positions. This budget only allows for one Special Investigator. The office is currently short staffed due to the two Special Investigator separations in January and one transfer to the County Attorney department. The department is holding off on hiring until FY 08 staffing levels are approved by the Legislature. The department has been borrowing staff from the County Attorney office to meet its duties and obligations. The costs for these employees are being charged-back to Investigations. Included in the OLBR projection is a chargeback of approximately \$50,000 which will occur in the latter part of the year transferring salary costs from County Attorney to Investigations.

**LABOR RELATIONS**

The Office of Labor Relations is responsible for representing the County, its departments and the managerial staff in all aspects of dealing with the labor unions and its collective bargaining agreements. The Office is responsible for: negotiating collective bargaining and interim agreements; administering such agreements; advising the departments on how to achieve their goals consistent with such agreements and law; and assisting in labor management issues.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	4	6	6	6	6	0.0%
Salaries	\$317,258	\$405,693	\$420,002	\$569,320	\$519,012	-8.8%
Misc OTPS	2,603	3,301	7,011	13,470	12,650	-6.1%
Contractual Services	0	0	0	1,480,755	922,475	-37.7%
<b>Total</b>	<b>\$319,861</b>	<b>\$408,994</b>	<b>\$427,013</b>	<b>\$2,063,545</b>	<b>\$1,454,137</b>	<b>-29.5%</b>

The chart above shows actual historic expenditures for the Office of Labor Relations since 2004, with a projected amount for 2007 and the proposed budget for 2008. Historically, salaries have been the largest expense item. In 2007 and 2008 contractual services spending is the greatest expense item. The increase in contractual services spending is a result of the transfer of the arbitrator’s contracts from the County Attorney’s office to the Labor Relations Office. These contracts pay the costs of outside arbitrators, court reporters and outside labor firms.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$467,824	\$569,320	\$519,012	\$519,012	\$51,188	(\$50,308)
BB	Equipment	5,712	4,712	3,783	3,783	(1,929)	(929)
DD	General Expenses	8,758	8,758	8,867	8,867	109	109
DE	Contractual Services	3,000	1,480,755	922,475	922,475	919,475	(558,280)
	<b>Total OTPS</b>	<b>17,470</b>	<b>1,494,225</b>	<b>935,125</b>	<b>935,125</b>	<b>917,655</b>	<b>(559,100)</b>
	<b>Grand Total</b>	<b>\$485,294</b>	<b>\$2,063,545</b>	<b>\$1,454,137</b>	<b>\$1,454,137</b>	<b>\$968,843</b>	<b>(\$609,408)</b>

The proposed 2008 budget would increase spending by \$968,843 from the Adopted 2007 level. The increase is primarily a function of greater contractual services spending. As mentioned previously, this category now includes outside labor counsel, arbitrators and court reporter costs. These expenditures

were previously accounted for in the County Attorney’s budget. The 2007 budget has been modified and currently funds the \$1.5 million projected contractual expense. This cost is especially high in 2007 due to negotiations being conducted with the PBA and DAI unions. It is anticipated that this cost will be reduced to the budgeted \$919,475 in 2008. Salaries are increasing by \$51,188 or 10.9% budget to budget. Although the 2007 salary projection and modified budget includes funding (\$52,000) for the transfer of a labor lawyer from the County Attorney department, this transfer has not yet taken place. The headcount has not been adjusted in 2008 to accommodate this transfer but there is sufficient funding to cover a mid-year transfer in 2008. Additionally, the 2008 Labor Relations salary budget does not fund terminal leave, which OLBR estimates at \$15,875.

<b>Labor Relations Staffing Analysis</b>						
	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	6	6	7	6	0	0

The proposed 2008 headcount is unchanged at the 2007 budgeted amount. According to the department, the headcount included in the proposed 2008 budget is erroneous. It should read seven instead of six. The department was given the funding level that it requested for seven positions.

## LEGISLATURE

The Legislature consists of 19 elected members representing the County's Legislative Districts as established by the County's Charter. The County Legislature provides equal representation for every resident of Nassau County and is responsible for introducing and enacting local laws, ordinances, resolutions, codes and proclamations. Additionally, the Legislature includes the Office of the Legislative Clerk and the Office of Legislative Budget Review.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	83	87	86	90	97	7.8%
Salaries	\$4,233,919	\$4,692,411	\$5,052,674	\$5,441,114	\$6,323,981	16.2%
Misc OTPS	589,492	1,239,546	1,166,037	1,623,670	1,474,585	-9.2%
Contractual Services	539,963	813,694	818,130	1,206,100	1,180,000	-2.2%
<b>Total</b>	<b>\$5,363,374</b>	<b>\$6,745,651</b>	<b>\$7,036,841</b>	<b>\$8,270,884</b>	<b>\$8,978,566</b>	<b>8.6%</b>

The chart above shows actual expenditures for the Legislature since FY 04, with a projected amount for FY 07. The increased salaries from \$4.2 million FY 04 to \$6.3 million FY 08 can be attributed to increased headcount.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$6,307,143	\$5,441,114	\$6,323,981	\$6,323,981	\$16,838	\$882,867
BB	Equipment	69,076	69,076	74,635	74,635	5,559	5,559
DD	General Expenses	1,304,594	1,554,594	1,399,950	1,399,950	95,356	(154,644)
DE	Contractual Services	1,456,100	1,206,100	1,180,000	1,180,000	(276,100)	(26,100)
	<b>Total OTPS</b>	<b>2,829,770</b>	<b>2,829,770</b>	<b>2,654,585</b>	<b>2,654,585</b>	<b>(175,185)</b>	<b>(175,185)</b>
	<b>Grand Total</b>	<b>\$9,136,913</b>	<b>\$8,270,884</b>	<b>\$8,978,566</b>	<b>\$8,978,566</b>	<b>(\$158,347)</b>	<b>\$707,682</b>

The proposed FY 08 budget for the Legislature is decreasing by \$158,347 or 1.7% from adopted FY 07 budget, with an increase of \$707,682 or 8.6% from the OLBR FY 07 projected actual. The decrease from FY 07 adopted budget is due to a \$276,100 decrease in contractual services from \$1.5 million to \$1.2 million. General expenses is rising from \$1.3 million to \$1.4 million but decreasing from the projected actual by \$154,644. Equipment is slightly increasing by \$5,559. Salaries are increasing by \$16,838 from FY 07 adopted budget and by \$882,867 from the FY 07 projected actual.

The majority of the increase in general expenses is for the Legislative Clerk. This includes the cost of \$100,000 in paper for Legislative mailings which had previously been paid out of printing and graphics.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center		Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs FY 07	Variance Exec. vs Request
10	Legislators - Majority	\$2,630,010	\$2,631,017	\$2,631,017	\$1,007	\$0
15	Legislators - Minority	2,380,613	2,367,230	2,367,230	(13,383)	0
20	Legislative Central Staff	3,218,448	3,038,808	3,038,808	(179,640)	0
30	Legislative Budget Review	907,842	941,511	941,511	33,669	0
<b>Total</b>		<b>\$9,136,913</b>	<b>\$8,978,566</b>	<b>\$8,978,566</b>	<b>(\$158,347)</b>	<b>\$0</b>

The chart above displays Legislative expenses by control center. Control center 10 and 15 contain funding for the majority and minority legislators, respectively, and their support staff. Control center 20 accounts for the Legislative Clerk's Office and central staff, and control center 30 contains the budget for the Office of Legislative Budget Review.

**Legislature  
Staffing Analysis**

		<u>FY 07</u> <u>Adopted</u>	<u>Sept-07</u> <u>Actual</u>	<u>FY 08</u> <u>Request</u>	<u>FY 08</u> <u>Executive</u>	<u>Exec. vs</u> <u>07 Adopt</u>	<u>Exec. vs</u> <u>Actual</u>
<b>CC Full-time Staffing</b>							
10	Legislators - Majority	42	42	44	44	2	2
15	Legislators - Minority	30	28	32	32	2	4
20	Legislative Central Staff	11	9	10	10	(1)	1
30	Legislative Budget Review	11	11	11	11	0	0
<b>Total Full-time</b>		<b><u>94</u></b>	<b><u>90</u></b>	<b><u>97</u></b>	<b><u>97</u></b>	<b><u>3</u></b>	<b><u>7</u></b>
<b>CC Part-time and Seasonal</b>							
10	Legislators - Majority	12	32	12	12	0	(20)
15	Legislators - Minority	20	26	18	18	(2)	(8)
20	Legislative Central Staff	4	1	4	4	0	3
30	Legislative Budget Review	0	0	0	0	0	0
<b>Total Part-time and Seasonal</b>		<b><u>36</u></b>	<b><u>59</u></b>	<b><u>34</u></b>	<b><u>34</u></b>	<b><u>(2)</u></b>	<b><u>(25)</u></b>

Budgeted full-time headcount for FY 08 is increasing by three employees from the FY 07 adopted budget but decreasing by two in part-time headcount. The increased positions include two Majority Legislative Assistants, a Minority Deputy Press Secretary and one Minority Secretary.

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**OFFICE OF MANAGEMENT & BUDGET**

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The mission of the Office of Management and Budget is to ensure that the County's budget is in balance, that operational performance is maximized and that resources are allocated in a manner that is consistent with the County's priorities and with departmental goals and objectives. The office has been organized into the following units: Fiscal, Revenue and Grants Management, Project and Performance Management, Fleet Management and Risk Management. The Revenue and Grants Management Unit addresses the administration, collection and management of County revenues. This unit is also responsible for reviewing and exploring new revenue options. The Performance Management Unit provides project management support services and operations consulting. The Fleet Management Unit's role is to act as the central service agency with regard to the acquisition, use, and replacement of vehicles and rolling equipment owned by Nassau County and used by its workforce. The Risk Management Unit was developed to manage the County's risks and exposures.

**Risk Management - \$220,000**

The Risk Management Unit in the Office of Management and Budget is responsible for the implementation and administration of the Risk Management Initiative. The program seeks to realize savings by reducing: injuries to County employees, damage to County property, injuries to citizens, damage to citizens' property, automobile accidents, and incidents arising from police activity, the actions of public officials, and the operation and maintenance of sewage and storm management systems. The staff which was assembled in August 2007 consists of expertise in the areas of legal counsel, claims management, safety and financial analysis. The Administration expects to realize savings of \$220,000 in FY 08, a revision of the \$1.6 million assumed in the 2007–2010 Multi-Year Plan. The anticipated savings from this initiative will be generated from introduction and enhancement of claims management programs, the reduction in workers' compensation costs as a result of a prescription program change and improved workplace safety procedures and accident safety investigations, and increased subrogation recoveries.

The 2008 Workers' Compensation budget assumes savings from the buyout of permanent and partial disability claims. This objective is to sell current claims to a company which will settle the claims by means of lump sum payments. The anticipated outcome is a reduction in overall workers' compensation costs. The County currently has approximately 1,000 claims of this type with a total cost of \$9.5 million. This initiative is projected to provide annual savings of \$5 million.

Through FY 07, Workers' Compensation costs have been centrally accounted for in the fringe benefit line of the County Attorney. Starting in FY 08, the budgets of each of the three departments that represent approximately 80% of Workers' Compensation claims will have an appropriation for their share of the expense. These are the Police Department with \$2.8 million, Corrections with \$1.8 million, and Public Works with \$1.1 million. This is intended to promote accountability and emphasize safety. OMB's budget will cover the cost of the remaining 20%, representing all of the other departments. Subrogation recoveries in the amount of \$2.0 million are budgeted for FY 08. This recovery is realized when a transfer of the right to receive payment of a debt to a party other than original creditor is executed. TRIAD will review all old claims. OMB expects to receive \$3.0 million in FY 09 and then the number will begin to decrease. The office plans on tracking average compensation cost per employee and to develop premiums by department.

The following steps take place as part of the claims management process upon the initiation of a claim: claim goes to TRIAD and Risk Management Unit, review of claim by Risk Management Unit and a report on cause of lost is issued is created. This information is then compiled in an effort to discover frequent occurrences or problematic areas. The office has introduced a special investigations unit within the County Attorney’s office to review questionable losses. The office has introduced a defensive driving program, snow plow training and surprise inspections in problematic areas. The office now gives added attention to preparation for each workers’ compensation case such as in the interviewing of witnesses and gathering of evidence. After a review of findings the office determines if it is in the County’s best interest o settle cases which are legitimate claims or to challenge questionable ones. The Workers’ Compensation unit in the County Attorney’s office now reviews old bills. The office is developing procedure manuals, protocols and introducing Occupational Safety & Health Administration (OSHA) programs as well.

Another program on the horizon is to engage Nassau Community College in an Insurance Program, whereby the college will self insure for accidental liability claims up to \$500,000. This program requires Legislative approval. The unit is also reviewing those cases in which workers which are out on long-term leave (two-weeks or more) in conjunction with TRIAD. These cases will be reviewed to see if clients are receiving proper medication and treatment and to determine if clients should be on long-term disability. Those long-term leaves will be petitioned to retire. This would reduce the County’s workers’ compensation costs and shift costs to the State pension system. The benefit for this program would be more pronounced toward the end of 2008 and the out-years.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	42	45	33	41	44	7.3%
Salaries	\$3,343,567	\$3,013,010	\$2,739,191	\$3,448,523	\$3,726,015	8.0%
Workers' Compensation	\$0	\$0	\$0	\$0	\$11,212,432	*****
Misc OTPS	26,547	30,250	38,890	73,811	533,200	622.4%
Contractual Services	646,899	2,341,200	3,164,999	1,094,119	1,153,220	5.4%
<b>Total</b>	<b>\$4,017,013</b>	<b>\$5,384,460</b>	<b>\$5,943,080</b>	<b>\$4,616,453</b>	<b>\$16,624,867</b>	<b>260.1%</b>

The chart above shows actual expenditures for OMB since FY 04, with a projected amount for FY 07. During this period the Office has been re-organized, and at times has provided management employees for other agencies. The FY 06 full-time headcount fell due to personnel being transferred to the County Executive’s Office and other departments. The large contractual services costs in FY 05 and FY 06 are related to the agreement with Manatt, Phelps and Phillips to develop and implement a recovery plan for the Nassau Health Care Corporation. A line for County-wide Workers’ Compensation costs has been added in the proposed FY 08 budget.



<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$3,014,764	\$3,448,523	\$3,726,015	\$3,726,015	\$711,251	\$277,492
AC	Workers Compensation	0	0	11,212,432	11,212,432	11,212,432	11,212,432
	<b>Total PS</b>	<b>3,014,764</b>	<b>3,448,523</b>	<b>14,938,447</b>	<b>14,938,447</b>	<b>11,923,683</b>	<b>11,489,924</b>
BB	Equipment	6,569	1,500	0	0	(6,569)	(1,500)
DD	General Expenses	87,311	72,311	33,200	33,200	(54,111)	(39,111)
DE	Contractual Services	269,119	1,094,119	1,153,220	1,153,220	884,101	59,101
93	Insurance on Bldgs	0	0	500,000	500,000	500,000	500,000
	<b>Total OTPS</b>	<b>362,999</b>	<b>1,167,930</b>	<b>1,686,420</b>	<b>1,686,420</b>	<b>1,323,421</b>	<b>518,490</b>
	<b>Grand Total</b>	<b>\$3,377,763</b>	<b>\$4,616,453</b>	<b>\$16,624,867</b>	<b>\$16,624,867</b>	<b>\$13,247,104</b>	<b>\$12,008,414</b>

The proposed FY 08 budget for OMB is significantly impacted by the change in the County’s method of allocating Workers’ Compensation costs. The new line added for Workers’ Compensation accounts for \$11.2 million of the office’s \$13.2 million increase over the FY07 budget. Salaries, with the hiring of the Risk Management Unit, are increasing by \$711,251. This is due to personnel additions, such as the Risk Management unit, and salary adjustments. A deficit of \$433,759 in salaries is anticipated for FY 07 resulting from changes in the office structure. Staff has been reorganized into five distinct units with unit heads for each. Furthermore unbudgeted salary increases took place this year in the month of May to add to the variance. The addition of a \$500,000 line for insurance and an increase of \$884,101 in contractual services, are driving the cost of OTPS upwards. The growth in contractual services is necessary to fund an agreement with PFM for \$250,000, as well as to cover the \$650,000 Workers’ Compensation related TRIAD agreement which was originally budgeted in County Attorney. The insurance expense is for three crime policies and various environmental policies. These insurance costs were originally budgeted in the Office of Real Estate but have been moved to OMB.

<b>Office of Management of Budgets Staffing Analysis</b>						
	<b>FY 07 Adopted</b>	<b>Sept-07 Actual</b>	<b>FY 08 Request</b>	<b>FY 08 Executive</b>	<b>Exec. vs 07 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	38	41	44	44	6	3
Part-time and Seasonal	1	2	3	3	2	1

The FY 08 budgeted headcount for OMB is increasing by six full-time positions. Most of the positions were due to the addition of the Risk Management Unit to OMB.

Historical Revenue						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Rents & Recoveries	\$55,144	\$24,802	\$0	\$0	\$2,000,000	*****
Inter Dept. Rev.	0	0	0	0	613,353	*****
<b>Total</b>	<b>\$55,144</b>	<b>\$24,802</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,613,353</b>	<b>*****</b>

The chart above shows revenues realized by OMB since FY 04, with a projected amount for FY 07. Historically, OMB has not received revenues on a consistent basis. Both the rents and recoveries and interdepartmental revenue in FY 08 are related to Workers' Compensation.

REVENUE BUDGET						
Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.
BF Rents & Recoveries	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
BI Cap Backcharges	35,125	0	0	0	(35,125)	0
BJ Interdept. Rev.	0	0	613,353	613,353	613,353	613,353
<b>Total</b>	<b>\$35,125</b>	<b>\$0</b>	<b>\$2,613,353</b>	<b>\$2,613,353</b>	<b>\$2,578,228</b>	<b>\$2,613,353</b>

The FY 08 Executive revenue budget is increasing by \$2.6 million. The \$2.0 million in rents and recoveries is anticipated to come from Workers' Compensation subrogation recoveries. Capital backcharges are projected at zero due to a position transfer to TPVA in FY 07. The interdepartmental charges of \$613,353 are related to worker compensation revenue for claims costs allocated to the departments of Behavioral Services, Senior Citizens and Social Services.

**Out-Year Initiatives**

NAME	FY 2009	FY 2010	FY 2011
Risk Management	\$75,000	\$175,000	\$175,000
Revenue Options	1,289,795	1,651,099	1,715,614
Total	\$1,364,795	\$1,826,099	\$1,890,614

The **Risk Management** initiative was discussed earlier. The out-year benefit is expected to increase by \$75,000 in FY 09 and \$175,000 in years FY 10 to FY 11 over the FY 08 amount of \$220,000.

The FY 08 component of the **Revenue Options** initiative is described in the Police Department and Fire Commission section of this document. In FY 09 through FY 11, fees will be raised in various departments, and then adjusted for inflation after two years. The departments under consideration are

CASA, Consumer Affairs, County Attorney, Civil Service Police, Planning, Public Works, and Treasurer. The fees to be increased include the contract processing fee, document translations, citizenship applications, alarm and pistol permits, home improvement permits and licenses, bank ATM, entry and promotional exam fees, and physicals. The County Legislature will have to approve the proposed fee levels. Another aspect of this initiative is to utilize the Accounts Receivable Module in NIFS, the County's financial system, to ensure prompt collection and resolution of old outstanding items.

**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 neglect, abuse casualty or in prison.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	49	54	52	52	51	-1.9%
Salaries	\$4,403,929	\$4,779,865	\$4,786,077	\$5,107,545	\$5,318,992	4.1%
Misc OTPS	281,678	270,901	446,602	622,144	589,815	-5.2%
Contractual Services	354,528	228,580	84,720	63,900	78,305	22.5%
<b>Total</b>	<b>\$5,040,135</b>	<b>\$5,279,346</b>	<b>\$5,317,399</b>	<b>\$5,793,589</b>	<b>\$5,987,112</b>	<b>3.3%</b>

Expenditures in the Medical Examiner’s office have steadily increased over the years. Contractual services spiked in 2004 due to a rate change for building occupancy charges. Rent for the Medical Examiner’s space at Nassau University Medical Center is based on an appraisal done in January 2000 and has increased annually on October 1<sup>st</sup> throughout the 20 year term pursuant to the CPI escalation provisions of the lease. Prior to 2004, funding for rent was insufficient so the increase in 2004 seems unrealistically high. Funding was consistent with the provisions of the lease. The reduction in 2006 and beyond reflects the removal of rental and building and maintenance services costs. These costs are now included in general expenses resulting in the growth in misc OTPS and the rent is now being charged to real estate.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$5,264,006	\$5,107,545	\$5,318,992	\$5,318,992	\$54,986	\$211,447
BB	Equipment	45,244	39,244	50,100	50,100	4,856	10,856
DD	General Expenses	602,900	582,900	539,715	539,715	(63,185)	(43,185)
DE	Contractual Services	63,900	63,900	78,305	78,305	14,405	14,405
	<b>Total OTPS</b>	<b>712,044</b>	<b>686,044</b>	<b>668,120</b>	<b>668,120</b>	<b>(43,924)</b>	<b>(17,924)</b>
HF	Inter-Depart Charges	0	0	975,614	975,614	975,614	975,614
	<b>Grand Total</b>	<b>\$5,976,050</b>	<b>\$5,793,589</b>	<b>\$6,962,726</b>	<b>\$6,962,726</b>	<b>\$986,676</b>	<b>\$1,169,137</b>

Salaries in 2008 are increasing by \$54,986, or 1.04%, over salaries in the 2007 Adopted Budget and by 4.1%, or \$211,447 over 2007 projections as a result of CSEA steps and COLAs. September headcount was down by 3 positions from the 54 that were budgeted in 2007. Three full time employees were funded by various grants so they were transferred into the Grant Fund during FY 07. There appears to be sufficient funding for salary expenses in 2008. OTPS expense is declining \$43,924 or 6.2%, over the 2007 budget and 2.6% when compared to 2007’s projections. Contractual services is increasing by \$14,405 for software contracts.

The majority of the Medical Examiner’s expenses are 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 medical supplies and expenses so the General Fund expense varies slightly by year based on the amount of the grants. In 2008 these costs are declining \$63,185 in general expenses.

2007 was the first year the department paid for refrigeration maintenance costs. Previously, this service was provided by DPW but a 2006 policy change made it the responsibility of the department to maintain the refrigerators. However, the refrigerators were last renovated in the 1980s and are beginning to show signs of disrepair. The expense has become so costly, to date \$20,000, that the department is considering making it a capital expense in the future.

Contractual Services increases by \$16,405 in 2008 are due to \$17,265 for a software contract for data management maintenance. It was not included in the current year’s budget because the terms of the contract do not require annual renewals but every other year.

<b>Medical Examiner Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	54	55	51	51	(3)	(4)
Part-time and Seasonal	6	6	6	6	0	0

The number of budgeted full-time positions will decline by three positions from the adopted budget and will decrease by four compared to September actuals. Those four positions are not being removed but are actually being transferred to the Grant Fund since their salaries are fully funded by grants.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Rents & Recoveries	\$6,373	\$17,513	\$143,499	\$0	\$0	*****
Departmental Revenue	13,674	16,426	18,790	20,000	20,000	0.0%
State Aid	1,658,960	1,674,703	1,653,953	1,525,826	1,818,510	19.2%
<b>Total</b>	<b>\$1,679,007</b>	<b>\$1,708,642</b>	<b>\$1,816,242</b>	<b>\$1,545,826</b>	<b>\$1,838,510</b>	<b>18.9%</b>

The Medical Examiner’s revenue has been on a slight decline over the past few years as a result of state aid reductions and fluctuations in rents & recoveries. In 2008, state aid is increasing \$292,684 or 18.9% over 2007 projections.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BH Department Revenues	20,000	20,000	20,000	20,000	0	0
SA State Aid - Reimbursable	1,525,826	1,525,826	1,818,510	1,818,510	292,684	292,684
<b>Total</b>	<b>\$1,545,826</b>	<b>\$1,545,826</b>	<b>\$1,838,510</b>	<b>\$1,838,510</b>	<b>\$292,684</b>	<b>\$292,684</b>

Departmental revenue is remaining stable when compared to the 2007 budget. State aid will increase by \$292,684 over 2007. The State reimburses the department for approximately 30% of its total expense so it is reasonable to assume that the department will receive the budgeted amount.

**MENTAL HEALTH, CHEMICAL DEPENDENCY &  
DEVELOPMENTAL DISABILITIES SERVICES**

The establishment of the Department of Behavioral Health and Developmental Disabilities Services incorporating the functions of the Department of Mental Health and Drug and Alcohol Addiction was designed to provide a governmental framework that enables available resources to more effectively be brought to bear in providing care and treatment to the populations that was once served by both departments. Two divisions were created within the new department, one division called the Division of Mental Health and Developmental Disabilities Services, which performs functions once associated with the Department of Mental Health and one division called the Division of Chemical Dependency Services, which performs functions once associated with the 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), not affected by the department merger, 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, Nassau University Medical Center (NUMC), in cooperation with the former 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. The department opened the unit in late April 2007 and as of the end of August, the program was fully utilized with 66 persons served in August.

**EXPENSE BUDGET  
BY CONTROL CENTER**

<b>Control Center</b>	<b>Adopted FY 07 Budget</b>	<b>Departmental Request FY 08</b>	<b>Executive FY 08</b>	<b>Variance Exec. vs FY 07</b>	<b>Variance Exec. vs Request</b>
10 Administration	\$7,793,326	\$7,889,540	\$7,790,660	(\$2,666)	(\$98,880)
20 Contractual Services	12,315,312	11,273,373	11,273,373	(1,041,939)	0
30 Direct Services	6,062,830	6,512,714	6,342,863	280,033	(169,851)
<b>Total</b>	<b>\$26,171,468</b>	<b>\$25,675,627</b>	<b>\$25,406,896</b>	<b>(\$764,572)</b>	<b>(\$268,731)</b>

## MENTAL HEALTH AND CHEMICAL DEPENDENCY

The FY 08 expense budget is decreasing by \$764,572, primarily due to a reduction of \$1 million in contractual services. A 2007 fund balance of \$1 million for non-recurring funds added to the 2006 budget by the Legislature as one-time funds to assist the Health and Human Services' not-for-profit agencies to make improvements to their infrastructure has addressed these issues. Charts on the following pages will show how this funding was disbursed. In addition to the \$200,000 for non-recurring expenses added in 2007 by the legislature, \$164,000 in FY 08 will be used to continue to fund a pilot program for Co-Occurring Disorders. The objective of this program is to develop a chemical dependency and mental health program that would focus on developing an innovative treatment approach for clients with co-occurring disabilities. It is anticipated that by having a single program designed to serve all the needs of individuals with co-occurring disorders will provide a better, more efficient level of service to the client. This program is currently 100% county funded and has been awarded to the Peninsula Counseling Center, but the NYS Office of Mental Health and Office of Alcoholism and Substance Abuse Services have recently indicated that they will be looking to establish such programs in the future. Mental Health and Chemical Dependency Services hopes that beginning the process early and demonstrating the effectiveness of the program will enable them to secure state aid funding in the future.

Direct services is increasing due to a growth in salaries by \$109,000 and contractual services by \$300,000 which are offset by a reduction of \$130,000 in general expenses.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	110	102	79	86	88	2.3%
Salaries	\$6,462,626	\$6,733,497	\$5,555,072	\$6,335,265	\$6,767,008	6.8%
Misc OTPS	1,348,146	309,461	311,763	787,562	726,500	-7.8%
Contractual Services	11,048,617	11,717,335	12,869,936	14,124,899	13,297,960	-5.9%
Direct Assistance	90,334,129	106,717,990	0	0	0	0.0%
<b>Total</b>	<b>\$109,193,518</b>	<b>\$125,478,283</b>	<b>\$18,736,771</b>	<b>\$21,247,726</b>	<b>\$20,791,468</b>	<b>-2.1%</b>

As the table above indicates headcount and salaries have been historically linked. As headcount increases, so do salaries. In FY 04 grant employees were transferred into the General Fund because their salaries were less than 100% reimbursable. The elimination of direct assistance, which was pre-school education costs, in FY 06 and beyond is a reflection of its transfer into the Health Department. The Administration decided that these costs would be better allied with the Early Intervention Program, which is managed by the Health Department. In FY 08, the growth in salaries over FY 07 projected reflects increases in anticipation of a new CSEA contract, and some higher salaried positions. The spike in FY 07 for contractual services reflects the use of the \$1.0 million the Legislature had added to the budget in 2006 as one-time funds to assist the Health and Human Services' not-for-profit agencies to make improvements to their infrastructure due to prior program reductions. Those funds will not be available in FY 08.



**MENTAL HEALTH AND CHEMICAL DEPENDENCY**

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$6,752,365	\$6,335,264	\$7,010,739	\$6,767,008	\$14,643	\$431,744
BB	Equipment	1,341	1,341	0	0	(1,341)	(1,341)
DD	General Expenses	861,585	786,221	751,500	726,500	(135,085)	(59,721)
DE	Contractual Services	14,124,899	14,124,899	13,297,960	13,297,960	(826,939)	(826,939)
	<b>Total OTPS</b>	<b>14,987,825</b>	<b>14,912,461</b>	<b>14,049,460</b>	<b>14,024,460</b>	<b>(963,365)</b>	<b>(888,001)</b>
HF	Inter-Dept. Charges	4,431,278	4,431,278	4,615,428	4,615,428	184,150	184,150
	<b>Grand Total</b>	<b>\$26,171,468</b>	<b>\$25,679,003</b>	<b>\$25,675,627</b>	<b>\$25,406,896</b>	<b>(\$764,572)</b>	<b>(\$272,107)</b>

Salaries are increasing marginally in FY 08 over the FY 07 Adopted budget. When compared to the FY 07 projection, salaries grow by \$431,744 due to the aforementioned COLA increases and steps.

The 2008 OTPS budget, excluding inter-departmental charges, is decreasing by \$963,365, primarily due to a reduction in contractual services. As a result of the department's restructuring in FY 07, control center 40, Chemical Dependency Services, was collapsed into contractual services and direct services. The \$1.0 million in non-recurring funds were added to the 2006 budget by the Legislature to assist the Health and Human Services' not-for-profit agencies to make improvements to their infrastructure due to prior program reductions. The contractual services charts on the following pages show how these monies are disbursed.

In FY 07 \$200,000 was added to the budget for the establishment of the mental hygiene court program. Nassau County had been identified by the NYS Center for Court Innovations to develop a Mental Hygiene Court Part. In order to achieve this goal the department has had several planning meetings with representatives from the Police department, District Attorney's Office, Probation, the Sheriff's office, NUMC and Judge Morano, the Administrative Judge for Specialty Courts. The department is in the final stages of preparing a plan to be submitted to Judge Morano for his review and approval prior to implementing this program in January 2008. The Mental Health Hygiene Court Part will target for diversion appropriate adult offenders with co-occurring alcohol, drug and mental health disorders who are involved in the criminal justice system. The Mental Health Hygiene Court Part will include a clinical team that will provide comprehensive diagnosis, treatment and risk assessment evaluation to facilitate diversion into individualized services in the community. This program will help to reduce the recidivism rate of these individuals, resulting in decreased costs associated with the Correctional Center while at the same time improving the quality of care for these individuals.

In 2008 \$607,000 is budgeted in general expenses for remands for State facilities, a reduction of \$126,576 from the 2007 budget. This is a result of a decrease in the length of stay for individuals remanded to state facilities by the criminal courts in Nassau County. Included in general expenses is funding for the PINS program. This program is a State mandate which went into effect April 1, 2005,

that requires the County to provide diversion services to youth at risk of becoming the subject of a PINS petition. Children who currently need hospitalization are placed in NUMC. The department has budgeted \$1.2 million in 2008 in contractual services for remands to NUMC. This is consistent to what was budgeted in 2007. The department will continue to maintain a full-time grant funded clinical psychologist at Family Court in 2008 to provide on-site evaluations to divert remands to State facilities.

The contractual services account of the budget is used to facilitate contracts to provide programs to the mentally ill, developmentally disabled and chemically dependent. The programs and corresponding allocations of these funds for the current year and the proposed year are listed in the charts on the following pages. The 2008 provider contracts Drug & Alcohol chart shows \$6,279,022 in 2008 and \$7,018,938 in 2008 provider contracts for Mental Health for a total of \$13.3 million.

**Department of Mental Health, Chemical Dependency  
& Developmental Disability Services  
2007 Contractual Services vs. 2008 Budget**

**Recurring Contracts**

	<b><u>2007 Dept. Budget / Contracts</u></b>	<b><u>2008 Dept. Budget / Contracts</u></b>
<b><u>Administration &amp; Court Remands</u></b>		
Ambulance Charges - NUMC	\$40,000	\$40,000
SAE Associates	9,000	-
Training	19,487	28,487
Court Remands NUMC	<u>1,231,000</u>	<u>1,231,000</u>
<b>Total Administration &amp; Court Remands</b>	<b><u>1,299,487</u></b>	<b><u>1,299,487</u></b>
<b><u>Mental Health Local Assistance</u></b>		
Angelo J. Melillo Center for Mental Health	39,137	39,137
Central Nassau Guidance Center	63,172	63,172
Family & Children Association	73,124	73,124
Federation Employment & Guidance Services	50,500	50,500
Hispanic Counseling Center	49,847	49,847
Mental Health Association of Nassau County	357,000	357,000
Nassau Health Care Corporation	838,895	838,895
Nassau Health Care Corporation - Correctional Center Clinic	819,000	819,000
North Shore Child & Family Guidance Center	878,454	878,454
Peninsula Counseling Center	62,954	62,954
Peninsula Counseling Center Co-Occurring Disorders	200,000	164,061
South Shore Child Guidance Center	27,517	27,517
Southeast Nassau Guidance Center	38,230	38,230
Catholic Charities	50,460	50,460
The Rehabilitation Institute	<u>100,000</u>	<u>100,000</u>
<b>Total Mental Health Local Assistance</b>	<b><u>3,648,290</u></b>	<b><u>3,612,351</u></b>
<b><u>Mental Retardation &amp; D.D. Local Assistance</u></b>		
Assoc. for Children with Learning Disabilities	29,000	30,000
Assoc. for the Help of Retarded Children	619,000	622,000
Epilepsy Foundation of Nassau County	264,000	266,000
Kulanu	24,500	24,500
Lifetech	24,500	24,500
United Cerebral Palsy of Assoc. of N.C.	<u>412,000</u>	<u>415,000</u>
<b>Total Mental Retardation &amp; DD Local Assistance</b>	<b><u>1,373,000</u></b>	<b><u>1,382,000</u></b>
<b><u>Mental Hygiene Court Program</u></b>		
Mental Hygiene Court Program / Staffing	200,000	200,000
Mental Hygiene Court - Clinic Treatment Program	<u>300,000</u>	<u>300,000</u>
<b>Total Mental Hygiene Court Program</b>	<b><u>500,000</u></b>	<b><u>500,000</u></b>
<b><u>Forensic Services</u></b>		
Alexander Bardey, MD	49,600	49,600
Allen Reichman, MD	99,000	99,000
Anthony Santoro, PhD	<u>76,500</u>	<u>76,500</u>
<b>Total Forensic Services</b>	<b><u>225,100</u></b>	<b><u>225,100</u></b>
<b>Total Mental Health Contracts</b>	<b><u>\$7,045,877</u></b>	<b><u>\$7,018,938</u></b>

<b>Department of Mental Health, Chemical Dependency &amp; Developmental Disability Services 2007 Contractual Services vs. 2008 Budget Recurring Funds</b>		
<b><u>Chemical Dependency</u></b>		
Angelo J. Melillo	\$364,054	\$364,054
Baldwin Council Against Drug Abuse	4,167	4,167
Bellmore-Merrick CSD	16,577	16,577
Central Nassau Guidance Center	11,859	11,859
Coalition Against Child Abuse & Neglect	111,430	111,430
Community Counseling of W. Nassau	242,217	242,217
Confide	4,167	4,167
Copay	12,500	12,500
Counseling Services of EDNY	8,333	8,333
EAC, Inc.	7,692	7,692
Family and Children's Association	1,278,028	1,278,028
Five Towns Community Center	11,859	11,859
Freeport Pride	28,526	28,526
Freeport UFSD	11,875	11,875
Friends of Bridge	20,194	20,194
Glen Cove CSD	26,125	26,125
Hispanic Counseling	244,319	244,319
Levittown UFSD	14,079	14,079
LI Crisis Center	35,030	35,030
LIJ Medical Center	125,641	125,641
Long Beach Medical Center	198,520	198,520
Long Beach REACH	27,439	27,439
Lynbrook UFSD	15,794	15,794
Mental Health Association	180,000	180,000
Mercy Hospital Center	415,931	415,931
North Shore Child and Family Guidance	293,333	293,333
North Shore CSD	11,875	11,875
NSUH - Glen Cove	24,359	24,359
NSUH - Manhasset	4,167	4,167
Oceanside Counseling	4,167	4,167
Peninsula Counseling	440,406	440,406
Plainedge UFSD	11,875	11,875
Plainview Old Bethpage	12,500	12,500
Port Counseling	4,167	4,167
Project Challenge	15,000	15,000
REACT	612,850	612,850
Residential Services (reestablishment)	610,919	610,919
South Shore Child Guidance	352,579	352,579
Southeast Nassau Guidance Center	260,947	260,947
St. Edwards School	16,992	16,992
Tempo Group	72,233	72,233
Valley Stream UFSD	19,088	19,088
Wantagh UFSD	11,875	11,875
Yours Ours Mine	75,000	75,000
Youth and Family Counseling	4,167	4,167
Youth Environmental Services	4,167	4,167
<b>Total Chemical Dependency Contracts</b>	<b>\$6,279,022</b>	<b>\$6,279,022</b>

**Department of Mental Health Chemical  
Dependency and Developmental Disabilities Services  
2007 Non-Recurring Contracts**

<b>Contract Agency</b>	<b>Chemical Dependency</b>	<b>Mental Health</b>	<b>Total 2007 Non-Recurring Funds</b>
Angelo J. Melillo Center for Mental Health	\$0	\$23,500	\$23,500
Catholic Charities	0	5,136	5,136
Central Nassau Guidance & Counseling Ctr.	11,500	10,000	21,500
Confide Counseling Center	6,000	0	6,000
Co-Pay	36,500	0	36,500
F.E.G.S. Health & Human Service	0	18,250	18,250
FACTS / Long Beach Medical Center	19,071	0	19,071
Family & Children's Association	2,500	58,204	60,704
Family Residences & Essential Enterprises	0	14,000	14,000
Freeport Pride	9,000	0	9,000
Hispanic Counseling Center	0	15,000	15,000
Long Beach Reach	22,000	0	22,000
Long Island Crisis Center	6,290	0	6,290
Mental Health Association	25,000	111,000	136,000
Mercy Medical Center	15,000	15,000	30,000
MTI Residential Services	0	32,500	32,500
N.C. Coalition Against Domestic Violence	8,000	0	8,000
NAMI Queens/Nassau	0	10,000	10,000
North Shore Child & Family Guidance	0	17,500	17,500
Peninsula Counseling Center	5,000	40,000	45,000
Port Counseling Center	11,000	0	11,000
Sara Center / North Shore Creative Rehab.	0	20,000	20,000
South Nassau Communities Hospital	16,388	17,750	34,138
South Shore Assoc. for Independent Living	0	25,160	25,160
South Shore Child & Guidance Center	9,000	17,000	26,000
Yes Community Counseling Center	98,250	0	98,250
Yours Ours and Mine community Center	24,915	0	24,915
Youth & Family Counseling Agency	13,500	0	13,500
Total Allocated Funding	338,914	450,000	788,914
Currently Un-allocated	<u>11,086</u>	<u>0</u>	<u>11,086</u>
<b>Total Non-Recurring Funds</b>	<b><u>\$350,000</u></b>	<b><u>\$450,000</u></b>	<b><u>\$800,000</u></b>

\* Mental Health Association and Yes Community Counseling Received \$750,000 each for a Anti-Stigma Campaign .

**Department of Behavioral Health and Developmental Disabilities Services  
Staffing Analysis**

	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	40	36	38	37	(3)	1
30 Direct Services	52	50	52	51	(1)	1
<b>Total Full-time</b>	<b><u>92</u></b>	<b><u>86</u></b>	<b><u>90</u></b>	<b><u>88</u></b>	<b><u>(4)</u></b>	<b><u>2</u></b>
<b>CC Part-time and Seasonal</b>						
30 Direct Services	3	2	5	4	1	2
<b>Total Part-time and Seasonal</b>	<b><u>3</u></b>	<b><u>2</u></b>	<b><u>5</u></b>	<b><u>4</u></b>	<b><u>1</u></b>	<b><u>(1)</u></b>

The 2008 budget is four positions less than the 2007 budget but an additional two over September actuals. The department has declined by four including the elimination of a Deputy Commissioner of Drug and Alcohol Addiction and the Correctional Center Substance Abuse Coordinator. The aforementioned Deputy Commissioner position was not included due to the reorganization of the merged department. The Correctional Center Substance Abuse Coordinator had been unable to work due to a long illness. His responsibilities had been absorbed by other individuals and it was determined that the position would not be filled going forward. Part-time staffing is increasing by one and includes the addition of two Alcohol Rehab Counselor I's and a loss of one Social Worker Assistant I.

<b>Historical Revenue</b>						
	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Actual</u>	<u>FY 07 Projected</u>	<u>FY 08 Exec.</u>	<u>% Change Proj./Exec.</u>
Fund Balance	\$0	\$0	\$0	\$1,000,000	\$0	-100.0%
Rents & Recoveries	2,228,572	11,310,719	491,743	15,000	15,000	0.0%
Departmental Revenue	2,029,178	1,002,840	44,854	300,134	300,000	0.0%
Interdept/Interfund Chg	2,458,576	2,113,526	1,632,591	1,606,334	1,267,724	-21.1%
State Aid	56,121,979	65,644,014	6,914,969	7,243,740	8,207,307	13.3%
<b>Total</b>	<b>\$62,838,305</b>	<b>\$80,071,099</b>	<b>\$9,084,157</b>	<b>\$10,165,208</b>	<b>\$9,790,031</b>	<b>-3.7%</b>

The Behavioral Services budget had declined sharply in FY 06 as a result of the transfer of the Pre-School Special Education program into the Health Department. The state aid that Mental Health received for managing this program has become part of the Health Department because of the close ties between Pre-School Education and the Early Intervention Program. State aid was on the increase due to the greater number of children requiring a greater number of services. The 2005 spike in rents & recoveries is a reflection of disencumbrances from prior year encumbrances related to the preschool special education. The \$491,743 for 2006 in rents & recoveries included disencumbrances for old

## MENTAL HEALTH AND CHEMICAL DEPENDENCY

preschool encumbrances. They have since been closed which is reflected in the FY 07 projection for rents and recoveries and the FY 08 executive budget. The fund balance of \$1.0 million is a result of the funding the Legislature added which was discussed above.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
AA	Fund Balance	\$1,000,000	\$1,000,000	\$0	\$0	(\$1,000,000)	(\$1,000,000)
BF	Rents & Recoveries	15,000	15,000	15,000	15,000	0	0
BH	Department Revenues	300,000	300,134	300,000	300,000	0	(134)
BJ	Interdepartmental Revenues	1,031,334	1,031,334	869,724	869,724	(161,610)	(161,610)
BW	Interfund Charges	575,000	575,000	398,000	398,000	(177,000)	(177,000)
SA	State Aid - Reimb. Exp.	7,243,740	7,243,740	8,242,932	8,207,307	963,567	963,567
<b>Total</b>		<b>\$10,165,074</b>	<b>\$9,165,208</b>	<b>\$9,825,656</b>	<b>\$9,790,031</b>	<b>(\$375,043)</b>	<b>(\$375,177)</b>

The Executive 2008 revenue budget has been reduced by \$375,043 or 4%, from the 2007 amount due to the elimination of the \$1 million fund balance. The fund balance elimination is associated with the funds the Legislature added the non-recurring infrastructure contracts awarded to the community based providers. The \$161,610 reduction in interdepartmental revenues reflects staff re-assignments and the retirement of one employee assigned to the Case Management Program that was previously charged to other departments via interdepartmental service agreements (ISA).

The \$398,000 in interfund charges includes chargebacks for the department's Employee Assistance Program (EAP) and reimbursement for the department's indirect grant costs. The EAP program is a countywide program open to all County staff other than the Police Department and Correctional Center. These two groups have their own EAP units due to the nature of their work. The EAP staff interviews County workers who are either referred by the workplace or are self referred to determine what types of issues they are struggling with (i.e. mental health issues, chemical dependency issues, work place issues, family issues, financial issues, etc.) EAP staff may see these employees from one to several times and most often make referrals to other outside counseling professionals. The interfund charges line is decreasing due to reduced costs for rent, utilities, telephone and computer usage.

Departmental revenues remains consistent with FY 07 at \$300,000 in 2008 for Medicaid receipts. State Aid is increasing by approximately \$963,000 or 13% to \$8.2 million in 2008.

The department receives the following Drug and Alcohol reimbursement: Courts Services receive 56% reimbursement; TIPS (Treatment Intake Placement Services)/Case management receives 26%; DWI receives 0%, WAGES (Work and Gainful Employment Services) receives 33%. The state aid associated with the DWI program was transferred to the methadone program as per New York State. This does not result in a loss of funding but a reallocation of funds to a program that was more consistent with the purpose of the funding. Case management is 100% reimbursed from the Nassau county Department of Social Services.

## MENTAL HEALTH AND CHEMICAL DEPENDENCY

The following chart demonstrates the performance measures utilized by the department.

<b>Performance Measures</b>				
<b>Performance Measure</b>	<b>2006 Actual</b>	<b>2007 Target</b>	<b>2007 Projection</b>	<b>2008 Targets</b>
On-site program evaluations by MHCDDDS staff	65	65	100	65
On-site reviews for treatment and prevention programs	NA	NA	20	79
Adult Case Management positions	NA	85%	85%	85%
Assertive Community Treatment positions	NA	85%	85%	85%
Chemical dependency services screenings	522	450	600	450
TIPS program clients	100	90	80	50
Court Services Unit clients	399	500	430	400
HIV tested	NA	83	100	100
STOP-DWI program clients	79	80	86	80
SAC Methadone Treatment program clients	546	540	560	560



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>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	6	11	10	9	9	0.0%
Salaries	\$458,817	\$706,177	\$660,055	\$662,892	\$657,838	-0.8%
Misc OTPS	5,102	30,564	61,045	43,876	37,880	-13.7%
Contractual Services	0	24,000	2,034	70,976	109,266	53.9%
<b>Total</b>	<b>\$463,918</b>	<b>\$760,742</b>	<b>\$723,134</b>	<b>\$777,744</b>	<b>\$804,984</b>	<b>3.5%</b>

Expenses increased in 2005 primarily due to increased salaries from increasing headcount. The additional personnel are required to fulfill the obligations in Local Law 14 - 2002 and the associated Minority and Women owned Business Enterprises (M/WBE) program. The salary line subsequently dropped in 2006 due to a headcount reduction. Although headcount decreased again during 2007, savings were offset by unbudgeted salary increases. Contractual services were utilized in 2005 through 2007 for public services announcements also related to the M/WBE program and expenses have increased for seminars and workshops.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$664,684	\$662,892	\$657,838	\$657,838	(\$6,846)	(\$5,054)
BB	Equipment	0	1,017	725	725	725	(292)
DD	General Expenses	43,876	42,859	37,155	37,155	(6,721)	(5,704)
DE	Contractual Services	206,682	70,976	109,266	109,266	(97,416)	38,290
	<b>Total OTPS</b>	<b>250,558</b>	<b>114,852</b>	<b>147,146</b>	<b>147,146</b>	<b>(103,412)</b>	<b>32,294</b>
	<b>Grand Total</b>	<b>\$915,242</b>	<b>\$777,744</b>	<b>\$804,984</b>	<b>\$804,984</b>	<b>(\$110,258)</b>	<b>\$27,240</b>

Total FY 08 budgeted funds are decreasing by \$110,258 from the FY 07 budget and increasing by \$27,240 from the 2007 projected actual. The decrease in the budget from the FY 07 budget is primarily due to the contractual services account which is decreasing by \$97,416. This reduction eliminates funds for the vendor that was expected to take over the certification process. Although a company was chosen for this function at a cost of \$90,000, they pulled out of the deal in the spring of 2007 due to concerns

about providing liability insurance which the County requires. The next closest bidder was over \$200,000. Since the FY 07 budget could not accommodate this increased cost, the certification process will continue to be done in-house and the 2008 budget has been reduced by this amount.

At issue now is the quality of the certification process. The department is not currently doing site visits and can not verify information. The department accepts a short form for vendors currently certified by the Metropolitan Transportation Authority, NYC School Construction Authority, NYS Empire Development Corp., NYC Department of Small Business Services, or the New York/New Jersey Port Authority. This includes over 75% of the vendors and severely limits the amount of information received and the confidence the department can have in the legitimacy of the companies. For instance, although New York State is diligent in their certification process, if a vendor fails to recertify after the three year limit, New York Stat still lists them as certified. Also, Nassau County does not have access to the information provided to the other entities. One example of the problems this causes occurred when the Police Department requested a list of vendors for their outreach effort pertaining to the recent police exam. A few companies were provided by Minority Affairs from their certified M/WBE list but the Police Department discovered they were not viable firms.

One solution the department would like to explore is switching to the use of the Uniform Certification Process utilized by the aforementioned entities. Although this would require more work from the currently certified vendors, since it is also used by the other entities, the companies should have the information readily available. In addition, there would be a reciprocal agreement whereby the other jurisdictions will accept the County's certification (currently the County's certification is not recognized by the other jurisdictions). This would be especially convenient for new companies being certified as one form can be used for all entities. The department has not been provided the estimated \$200,000 to \$300,000 in funds, necessary to hire a firm that would be capable of providing the services needed to make this possible.

The department also states that they requested an additional \$50,000 for advertising in community papers, but this was not included in the County Executive's proposed FY 08 budget. Advertising would be used to announce events, seminars and services the department provides. Currently fliers and the department's web site is being used for this purpose, but the department received a much better response to an event the one time it was able to obtain free advertising from one of the community papers. The department does not anticipate any additional free advertising in the future.

The 2008 budget does include funds for the following activities:

- Entrepreneurial training
- Business technical assistance
- Business outreach
- Projects assessment

In September of 2004, OLBR conducted a review of the Office of Minority Affairs and the M/WBE 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 feels this type of software is necessary if they are to effectively manage the M/WBE program, pursuant to Local Law 14 of 2002. Funding for the management tool is not included in the Office’s proposed FY 08 budget since the Department of Information Technology has been trying to fill this need. The department has stated that many functions an optimal IT system would perform are still being done manually and they have no way of verifying the information provided by IT. In addition the e-procurement system being utilized does not provide all the categories used by Minority Affairs.

Salaries are also decreasing by \$6,846 from the FY 07 adopted budget. The reduction results from the transfer of a staff assistant during 2007 which is partially offset by unbudgeted salary increases given during the year. The staff assistant was transferred to Constituent Affairs and most of her duties, which included event coordination, have been absorbed by other staff members.

General Expenses have been reduced by \$6,721 from the FY 07 adopted budget. This will cut funds utilized for staff training and professional development. The equipment budget has been increase by \$725 from the FY 07 adopted but reduced by \$292 from the projected actual. In 2007 funds were utilized for file cabinets and in 2008 the budget includes funds for a fax machine and additional file cabinets.

<b>Minority Affairs Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	10	9	9	9	(1)	0

The budgeted staffing level next year is decreasing by one to bring the budget in line with the actual headcount as previously discussed.

MISCELLANEOUS

Expense and revenue allocations in the Miscellaneous Budget are divided among the following cost centers: 1) Contractual Agencies, 2) Resident Tuition, 3) Other, 4) Miscellaneous Fringe Benefits, 5) Local Government Assistance, 6) Nassau Health Care Corp., 7) NCIFA Expenditures and 8) Unallocated Initiatives.

The 2008 Miscellaneous expense budget of \$160.0 million represents an increase of 15.0% from the adopted 2007 budget. The largest dollar value increases are recorded in the Contractual Agencies and Unallocated Initiatives control center. The Other and Nassau Health Care Corporation control centers are registering decreases from their adopted 2007 levels.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center		Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs FY 07	Variance Exec. vs Request
20	Contractual Agencies	\$9,646,656	\$26,929,627	\$27,929,627	\$18,282,971	\$1,000,000
40	Resident Tuition	5,815,832	5,815,832	5,815,832	0	0
60	Other	10,695,755	9,400,008	8,400,008	(2,295,747)	(1,000,000)
70	Misc Fringe Benefits	1,324,000	2,200,000	2,200,000	876,000	0
80	Local Government Assist.	62,046,922	62,621,959	62,621,959	575,037	0
91	Nassau Health Care Corp	38,165,739	38,063,602	37,692,599	(473,140)	(371,003)
92	NCIFA Expenditures	1,300,000	1,300,000	1,300,000	0	0
93	Unallocated Initiatives	10,068,739	14,000,000	14,000,000	3,931,261	0
<b>Total</b>		<b>\$139,063,643</b>	<b>\$160,331,028</b>	<b>\$159,960,025</b>	<b>\$20,896,382</b>	<b>(\$371,003)</b>

**The Contractual Agencies control center** consists of agencies for which the County provides a subsidy in order to offset costs to the general public. In 2008 these costs are increasing 189.5%. The primary factor behind the increase is the inclusion of \$16.4 million of interfund charges. These charges represent debt service charge backs to support and guarantee OTB and NHCC debt issuances. The OTB debt service costs are \$2.1 million and the NHCC debt service costs are \$14.2 million. The control center contains a revenue offset for these expenses. Also included in this control center are the Legal Aid Society and the Nassau County Bar Association Public Defender Fund costs. The total spending for those two agencies is \$11.5 million. The Public Defender’s budget is increasing as a result of both heightened public defender usage and a State mandated wage rate increase to be paid to assigned counsel providing indigent legal defense services. Miscellaneous revenues are increasing 86.1% from the Adopted 2007 budget. The increase is a function of the inclusion of one-time tobacco settlement proceeds and the revenue offset for the OTB and NHCC debt service charges. In 2007 the tobacco settlement proceeds were budgeted in the Nassau Health Care Corporation control center.

**The Resident Tuition control center** is where the County budgets for its obligation to pay tuition costs for Nassau residents who attend New York State community colleges outside of Nassau County, including the Fashion Institute of Technology (FIT). The proposed 2008 expense budget is being frozen at the adopted 2007 level. Nassau County receives 100% reimbursement of this expense from the local town or city where the resident resides. Only the payments made to FIT are not reimbursable, the County may not charge back for FIT tuition costs. Historically, FIT payments have constituted 66% of total County resident tuition expenses. The proposed 2008 budget assumes that FIT payments are \$4.1 million and assumes reimbursements of \$1.8 million for the total resident tuition cost from the local towns and cities.

On the revenue side, the 2008 budget includes \$4.1 million in State aid reimbursement for payments the County makes to FIT for Nassau County residents who attend the Institute. According to the State Education Law section 6305, the State is required to reimburse these payments to the County. It is unlikely that the County will receive FIT aid from the State in 2008. These monies were excluded from the State budget in 2007. The result is a \$4.1 million risk to the County.

**The Other control center** expenses are decreasing 21.5% from the Adopted 2007 level. The decrease is a function of a \$1.2 decrease in other suits & damages spending and a 73.2% decline in interdepartmental charges. All other expense lines included in the control center are essentially frozen at their Adopted 2007 Budget. Some of these expenditures include payments to various governmental organizations, like the NYS Association of counties (NYSAC), the National Association of Counties (NACO) and the NYS County Executives Association (NYSCEA). Also included in this center are payments to the City of Long Beach, the Lido-Pt. Lookout Fire District and HIPAA payments. The \$25,000 allocated for HIPAA payments represents the anticipated cost of expert opinions on the HIPAA law. Approximately 82.4% of the total control center budget is inter-departmental charges. These charges include costs associated with County Attorney and Police Headquarters. Building occupancy and Fire Commission charges have been eliminated from the 2008 proposed Miscellaneous budget.

**The Miscellaneous Fringe Benefits control center** is where the expenses and offsetting revenues for both the Flex Benefit and Transit Chek Program are booked. The Flex Benefit program, which allows employees to spend pre-tax dollars for health and dependent care costs, has seen significant enrollment increases. The 2007 budgeted amount of \$1.25 million proved insufficient for actual enrollment and an additional \$400,000 was moved to the line in order to cover the actual program costs. The proposed 2008 budgeted amount of \$2.1 million appears sufficient to cover the expenses of the heightened enrollment. The Transit Chek program was originally created in 2005 to encourage mass transit by allowing employees to use pretax dollars to pay for a portion of their commuting costs. The 2008 Transit Chek program is budgeted at \$100,000. The budgeted expense and revenue to offset expense match since the County diverts a portion of enrollees' payroll into the pretax account to cover the costs of the programs.

**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. A 0.9% growth in the FY 08 budget for local government assistance or \$575,000 increase is due to expected growth in sales tax collections, including \$1,250,000 allocated to the County's incorporated villages. The chart below shows the FY 07 Adopted Budget and proposed FY 08 budgets for assistance to the

Nassau County towns, cities and villages. Sales tax collections in 2007 are expected to fall short of budget. See the **Executive Summary** for a more detailed discussion of County sales tax collections.

<b>LOCAL GOVERNMENT ASSISTANCE PROGRAM</b>			
	FY 07 Adopted Budget	FY 08 Exec. Budget	Variance Exec. vs. Adopted 07
Town of Hempstead	\$34,289,464	\$34,613,785	\$324,321
Town of Oyster Bay	13,800,901	13,931,435	130,534
Town of North Hempstead	9,970,695	10,065,001	94,306
City of Long Beach	1,580,720	1,595,671	14,951
City of Glen Cove	1,155,142	1,166,067	10,925
Incorporated Villages	1,250,000	1,250,000	0
<b>Total</b>	<b>\$62,046,922</b>	<b>\$62,621,959</b>	<b>\$575,037</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 2008. The salary expense, which is made up entirely of termination payments to employees of the corporation for the percentage of their time under County employment, is decreasing from the FY 07 budget by \$1.9 million. The projected payment for this is \$2.4 million in FY 07 compared to the FY 07 budget of \$4.1 million. In 2008 the requested budget is \$2.2 million. This is partially offset by the Medicare reimbursement, which is increasing from \$3.2 million in FY 07 to \$4.6 million in FY 08. The FY 08 budget for this expense seems high since the FY 07 budget is inflated and the FY 06 actual expense was \$2.9 million. In FY 07, the monthly premium rates were finalized lower than the assumed rate of \$98.50 built in the FY 07 budget. In the Fall of FY 06, the Federal Government announced that Part B premiums were expected to increase by \$10.30 in FY 06. However, the national premium was finalized at an increase of \$5.00 from \$88.50 in 2006 to \$93.50 in 2007. The FY 08 budget is based on a premium rate of \$103. Most of the budgeted increase for this expense is for increased retirements but it is difficult to imagine the slew of retirements that would be necessary to account for the 2008 proposed budget. It is OLBR's estimate that this expense may be over budgeted by about \$1.5 million. On the revenue side, rents and recoveries are declining from the Adopted 2007 Budget since it had included the use of \$23.6 million of one-time tobacco proceeds. In the proposed FY 08 budget the \$23.0 million of tobacco funds have been placed in the Contractual Agencies control center

**The Nassau County Interim Finance Authority (NIFA) Expenditures control center** is used to budget for all NIFA expenses. The proposed 2008 NIFA expenses are \$1.3 million, unchanged from the Adopted 2007 Budget.

**Unallocated Initiatives control center** includes \$14 million in other expenses and \$10 million in fund balance revenues. The \$10 million in fund balance is the funding source for the \$10 million the budget that the Administration included for any unforeseen expenses or shortfalls in revenue.

It should be noted that the Executive budget includes salary increases for the County Assessor, the District Attorney, the County Executive, the Comptroller, and the County Clerk. However, in a letter dated September 27, 2007, addressed to the leadership of the Legislature, County Executive Suozzi has proposed that the additional funding for the elected officials be removed from the salary lines of the individual office holders, and placed in the budget contingency line in the Miscellaneous cost center.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Salaries	\$2,214,083	\$3,987,363	\$1,099,735	\$2,402,000	\$2,200,000	-8.4%
Fringe Benefits	950,000	21,404,183	21,505,319	22,900,707	24,692,599	7.8%
Local Govt Asst Program	55,516,592	56,946,225	59,742,639	56,565,855	62,621,959	10.7%
Nassau Health Care Assn.	39,940,237	15,540,909	23,888,407	13,000,000	13,000,000	0.0%
Interdepartmental Charges	0	0	1,756,531	8,318,247	6,924,920	-16.8%
Legal Aid	3,831,507	4,562,107	4,827,720	4,972,551	5,204,769	4.7%
Bar Association	4,068,725	4,866,773	4,505,862	6,324,105	6,342,556	0.3%
Resident Tuition	5,251,201	5,815,832	6,544,856	5,815,832	5,815,832	0.0%
Other Suits	3,802,545	6,859,045	647,439	2,538,105	1,223,460	-51.8%
NCIFA Expenditures			2,000,000	1,300,000	1,300,000	0.0%
Other Expenses	978,739	1,111,466	6,465,759	237,508	251,628	5.9%
<b>Total</b>	<b>\$116,553,629</b>	<b>\$121,093,904</b>	<b>\$132,984,267</b>	<b>\$124,374,910</b>	<b>\$129,577,723</b>	<b>4.2%</b>

The chart above details Miscellaneous Department expenditures over the past five years. The greatest expense item in terms of dollar value is the Local Government Assistance Program. This expense has grown 12.8% over the past five years. They reflect the payments made to the local towns and cities for their portion of the sales tax collections. The greatest five year percentage growth rate was recorded in fringe benefits costs. These costs have increased by \$23.7 million over the past five years. The increase may be attributed to the fact that in 2004, Social Security contributions, Medicare reimbursements and health insurance for retired Nassau Health Care Association employees were budgeted in the Nassau Health Care Association expense line.

The chart on the following page details the Miscellaneous expense budget for FY 08 by object class. Local Government Assistance charges of \$62.6 million account for 39.1% of the total \$160.0 million FY 08 proposed budget. Trailing Local Government Assistance in terms of percentage of total expense are fringe and contingency reserve costs which constitute 15.4% and 8.8% respectively. The majority of the Fringe budget, 91.1%, represents fringe costs for Nassau County Health Care Corporation employees. Within the fringe budget, higher Medicare reimbursement and health insurance for retirees costs are causing the entire expense category to rise 10.4% budget to budget.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$4,117,016	\$2,402,000	\$2,200,000	\$2,200,000	(\$1,917,016)	(\$202,000)
AB	Fringe	22,372,723	22,900,707	25,063,602	24,692,599	2,319,876	1,791,892
	<b>Total PS</b>	<b>26,489,739</b>	<b>25,302,707</b>	<b>27,263,602</b>	<b>26,892,599</b>	<b>402,860</b>	<b>1,589,892</b>
GA	Local Govt. Assistance	62,046,922	56,565,855	62,621,959	62,621,959	575,037	6,056,104
HC	Nas. Health Care Assn.	13,000,000	13,000,000	13,000,000	13,000,000	0	0
NA	NCIFA Expenditures	1,300,000	1,300,000	1,300,000	1,300,000	0	0
66	Legal Aid Society	4,972,551	4,972,551	5,204,769	5,204,769	232,218	232,218
67	Bar Association	4,674,105	6,324,105	6,342,556	6,342,556	1,668,451	18,451
70	Resident Tuition	5,815,832	5,815,832	5,815,832	5,815,832	0	0
87	Other Suits & Damages	2,140,000	2,538,105	2,223,460	1,223,460	(916,540)	(1,314,645)
97	Contingency Reserve	8,000,000	8,000,000	14,000,000	14,000,000	6,000,000	6,000,000
OO	Other Expenses	2,306,247	237,508	251,628	251,628	(2,054,619)	14,120
	<b>Total OTPS</b>	<b>104,255,657</b>	<b>98,753,956</b>	<b>110,760,204</b>	<b>109,760,204</b>	<b>5,504,547</b>	<b>11,006,248</b>
HH	Interfund Charges	0	0	16,382,302	16,382,302	16,382,302	16,382,302
HF	Inter-Dept. Charges	8,318,247	8,318,247	6,924,920	6,924,920	(1,393,327)	(1,393,327)
	<b>Grand Total</b>	<b>\$139,063,643</b>	<b>\$132,374,910</b>	<b>\$161,331,028</b>	<b>\$159,960,025</b>	<b>\$20,896,382</b>	<b>\$27,585,115</b>

The chart on the following page details the revenues allocated to the Miscellaneous budget over the past five years. Historically, the greatest dollar value revenue stream incorporated in the Miscellaneous budget has been the rents and recoveries line. These monies reflect tobacco settlement proceeds. The greatest percentage increase was recorded in the State Aid line. However, the 2008 budgeted amount is inflated since it includes State Aid payments for residents who attend FIT. OLBR considers this revenue a risk since it has not been included in recent State budgets.



<b>Historical Revenue</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Rents & Recoveries	\$34,037,400	\$23,837,014	\$37,152,513	\$34,300,000	\$23,125,000	-32.6%
Revenue Offset to Expense	2,505,555	3,408,354	3,288,481	4,634,708	5,592,971	20.7%
Fund Balance	0	0	0	0	10,000,000	*****
Interfund Charges	0	0	0	0	16,382,302	*****
Federal Aid	337,118	429,079	286,761	153,770	153,770	0.0%
State Aid	103,177	1,514,037	2,212,457	2,324,194	6,712,022	188.8%
<b>Total</b>	<b>\$36,983,250</b>	<b>\$29,188,484</b>	<b>\$42,940,212</b>	<b>\$41,412,672</b>	<b>\$61,966,065</b>	<b>49.6%</b>

The chart below details the Miscellaneous revenue budget by object class. The proposed FY 08 revenue budget for Miscellaneous is increasing by \$27.2 million or 78.1% from the Adopted 2007 Budget. The increase is primarily a function of the inclusion of \$10 million fund balance as well as the addition of \$16.4 million in interfund charges. The new \$16.4 million in interfund charges offset the expense associated with the debt service chargebacks to support and guarantee NHCC and OTB bond issues. The rents and recoveries line includes the appropriation of \$23.6 million of tobacco proceeds in FY 07 and a proposed \$23.0 million for FY 08.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
AA Fund Balance	\$0	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
BF Rents & Recoveries	23,800,000	34,300,000	23,125,000	23,125,000	(675,000)	(11,175,000)
BG Rev. Offset To Expense	4,634,708	4,634,708	5,592,971	5,592,971	958,263	958,263
BW Interfund Charges	0	0	16,382,302	16,382,302	16,382,302	16,382,302
FA Fed. Aid - Reimb. Exp.	153,770	153,770	153,770	153,770	0	0
SA St. Aid - Reimb. Exp.	6,212,022	2,324,194	6,712,022	6,712,022	500,000	4,387,828
<b>Total</b>	<b>\$34,800,500</b>	<b>\$41,412,672</b>	<b>\$61,966,065</b>	<b>\$61,966,065</b>	<b>\$27,165,565</b>	<b>\$20,553,393</b>

**EXPENSE BUDGET**

The adopted expense budget for Nassau Community College (NCC) for the fiscal year September 1, 2007 through August 31, 2008 totals \$189.5 million, an increase of \$9.7 million or 5.4% over the appropriation for FY 06-07 and an increase of \$7.6 million, or 4.2% over the current year’s projection. The projected spending includes \$2.7 million for termination pay associated with the College’s special retirement incentive. Excluding that expense the FY 2007-08 budget is 2.7% more than FY 2006-07 projected expenses.

Table 1

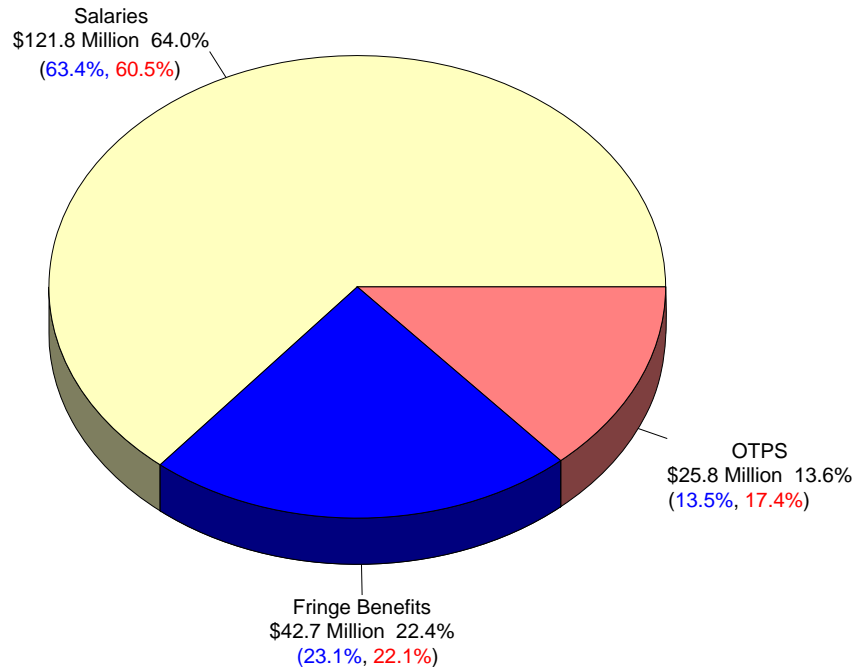
Adopted FY 07-08 Expense							
Personal Services	Adopted FY 06 - 07	Adopted FY 07 - 08	FY 07-08 vs		Projected FY 06-07	Adopted vs Projected	% Change
			FY 06-07 Adopted Budget	% Change			
Salaries, Wages & Fees	\$115,519,130	\$121,261,401	\$5,742,271	5.0%	\$118,200,000	\$3,061,401	2.6%
Fringe Benefits	41,329,841	42,638,017	\$1,308,176	3.2%	39,516,686	\$3,121,331	7.9%
Subtotal	\$156,848,971	\$163,899,418	\$7,050,447	4.3%	\$157,716,686	\$6,182,732	3.9%
<b>OTPS</b>							
Equipment	\$1,984,006	\$1,939,006	(\$45,000)	-2.3%	\$2,691,259	(\$752,253)	-28.0%
General Expenses	6,219,754	6,457,825	\$238,071	3.8%	6,387,736	\$70,089	1.1%
Contractual Services	6,489,415	7,644,415	\$1,155,000	17.8%	6,537,132	\$1,107,283	16.9%
Utility Costs	1,150,000	5,590,000	\$4,440,000	386.1%	3,310,000	\$2,280,000	68.9%
Interfund Charges	7,051,000	3,861,888	(\$3,189,112)	-45.2%	5,134,548	(\$1,272,660)	-24.8%
Other Expenses	30,000	80,000	\$50,000	166.7%	55,000	\$25,000	45.5%
Subtotal	\$22,924,175	\$25,573,134	\$2,648,959	11.6%	\$24,115,675	\$1,457,459	6.0%
<b>Total Expenses</b>	<b>\$179,773,146</b>	<b>\$189,472,552</b>	<b>\$9,699,406</b>	<b>5.4%</b>	<b>\$181,832,361</b>	<b>\$7,640,191</b>	<b>4.2%</b>

Salary growth in the FY 2007-08 Adopted Budget is based on collective bargaining agreements and slight increases to staffing levels. OTPS expenses in the adopted budget reflect historic trends of spending for ongoing operational needs. The 11.6% increase in OTPS for FY 2007-08 compared to the FY 2006-07 budget reflects the costs of the initiatives introduced into the budget which are designed to advance the college’s new strategic plan and generate future revenues. The demographics of Nassau County and its surrounding communities continue to change, and so too does the need to offer more remedial classes and other costly services, as well as addressing the health and safety issues that cater to the needs of these students. The implementation of these initiatives will incur an initial expense but is expected to be offset by the revenue generated in the future.

Additionally, 2007-2008 OTPS expense includes a reclassification of utility costs and interfund charges. Previously, the cost of electricity was allocated to the College by the County and was charged to the interfund line. In March 2007, the College had a new electric meter installed by LIPA so that the cost of electricity could be billed to the College directly in the hope that it would more accurately assess

electricity usage. This change moves about \$2.0 million from interfund charges into utility costs in FY 2006-07 and about \$4.4 million in FY 07-08. The \$167,975 shortfall in general expenses projected by OLBR is due to physical plant needs and is expected to be funded by a board transfer or supplemental appropriation if necessary.

**Chart 1**  
**Adopted FY 2007-08 Expenditure Budget By Object**  
 (Compared to Suffolk and Westchester Community Colleges)

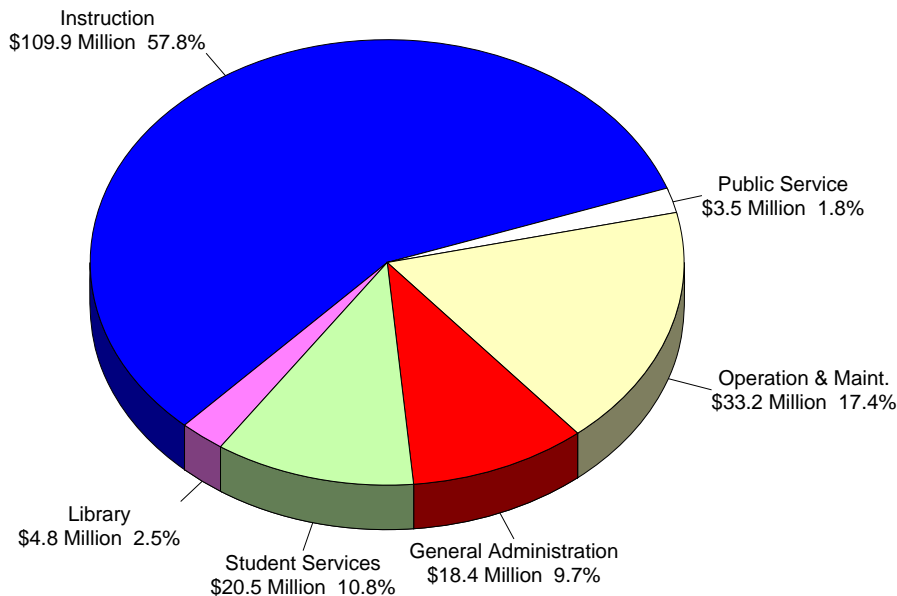


FY 2005-06 actual data from Suffolk and Westchester Community Colleges are highlighted in blue and red respectively in parenthesis. Data is from the The State University of New York FY 2005-06 Annual Report Summary.

As illustrated in Chart 1, the College’s expenditures are made up of 64.0% salaries and 22.5% fringe benefits. As a basis for comparison, the corresponding average percentages for Suffolk and Westchester community colleges for FY 2005-06, the most recent year for which statewide figures are available, are noted in parentheses. Other Than Personal Services (OTPS) makes up 13.5% of the total adopted budget. In comparison Suffolk spent 13.5% and Westchester spent 17.4% in FY 2005-06. NCC plans to spend 86.4% of total costs on salaries and fringe benefits in FY 2007-08. In FY 2005-06 Suffolk and Westchester spent 86.5% and 82.6% respectively on these costs. In FY 2005-06 Nassau Community College had a net operating expenditure per FTE student of \$9,134, while Suffolk spent \$8,010 and Westchester spent \$7,734.

Chart 2 shows the breakout of adopted budget expenses by function. The largest category is Instruction which utilizes 57.8% of the budget. Operation and Maintenance of Plant consumes 17.4% of the budget and includes many projects that would be included in the capital budget if funds were available. General Administration expenses take up 9.7%; Student Services uses 10.8% and the Library 2.5%. It should be noted that Enrollment Management which comprised 4.0% of the FY 2006-07 budget has been merged into Student Services in FY 2007-08.

**Chart 2**  
**Adopted FY 2007-08 Expenditure Budget By Function**



**Salaries & Wages**

Salaries and wages is increasing by 5.0% over the FY 2006-07 budget and 5.0% over the FY 2006-07 projected actual, excluding the \$2.7 million retirement incentive payout. The Nassau Community College Federation of Teachers’ (NCCFT) contract includes a COLA increase of 2.18% on September 1, 2007. When additional benefits are included, such as the step increment, promotions, and longevity (only to be received in FY 07-08) the total salary expenditure increases by 5.0% over the 2006-07 projections. The Adjunct Faculty Association’s contract provides for a COLA increase of 3.9% plus a contractual promotional movement increase. In addition, 5.3% increases are included for members of the Civil Service Employees Association (CSEA), which will fund step increases and a projected 3.5% COLA increase. It should be noted that the current contract with CSEA expires during the college’s fiscal year, December 31, 2007.

The Nassau Community College Federation of Teachers (NCCFT) contract provides for a one-time early retirement incentive of 90% of the final year’s salary for those full-time faculty members who have reached their 57<sup>th</sup> year with 10 years of service. The plan precludes the member from participating

in any other early retirement incentives and is good until the 31<sup>st</sup> of December of the year the member turns 57. Also, the incentive pay would be made in equal annual installments over a five year period. Historically few members have opted into this plan so the College is offering eligible full-time faculty members who are 58 years of age or over with 10 years of service, 40% of their final year's salary if they elect to retire. There were 40 faculty members of the eligible 257 that took advantage of this early retirement in FY 2006-07 compared to the 12 typical members that retire without the special incentive. The College has included an estimated \$1.2 million in salary savings and \$92,800 in fringe savings in the FY 2007-08 budget. Portions of the strategic plan will be deferred until funding becomes available.

Tables 2 and 3 show the distribution of full-time and part-time staff by budgetary function.

Table 2

FULL-TIME HEADCOUNT										
Function	Adopted 06 - 07		Adopted 07 - 08		Difference			June 07 Act. F/T	Difference	
	F/T	Pers. Svcs	F/T	Pers. Svcs	F/T	Pers. Svcs	% Chg		F/T	% Chg
General Administration	121	\$7,036,713	131	\$8,074,294	10	\$1,037,581	14.7%	112	19	17.0%
Instruction	706	52,274,064	711	53,562,392	5	1,288,328	2.5%	701	10	1.4%
Extension & Public Service	13	875,136	13	938,475	0	63,339	7.2%	12	1	8.3%
Library	38	2,161,167	38	2,378,384	0	217,217	10.1%	37	1	2.7%
Student Services	181	10,824,359	182	11,277,876	1	453,517	4.2%	167	15	9.0%
Maint & Op. of Plants	146	7,952,799	152	8,578,328	6	625,529	7.9%	143	9	6.3%
<b>Grand Total</b>	<b>1,205</b>	<b>\$81,124,238</b>	<b>1,227</b>	<b>\$84,809,749</b>	<b>22</b>	<b>\$3,685,511</b>	<b>4.5%</b>	<b>1,172</b>	<b>55</b>	<b>4.7%</b>

The FY 2007-08 Adopted Budget of 1,226 full-time positions is 21 more than the current year's budget and 54 more than the June 1<sup>st</sup> actual. Seventeen positions of the increase over the FY 2006-07 budget reflects the College's commitment to implement a strategic plan that will include revenue producing initiatives, health and safety enhancements and other operational needs. The remaining four positions result from double entries into the system as two instructors return from sabbatical and are counted as two additional positions. The College anticipates that the plan's initiatives will generate gap closing revenue in the future.

Table 3

PART-TIME HEADCOUNT								
Control Center	Adopted 06 - 07		Adopted 07 - 08		Difference			
	P/T	Pers. Svcs	P/T	Pers. Svcs	P/T	Pers. Svcs	% Chg	
General Administration	62	\$577,477	71	\$731,851	9	\$154,374	26.7%	
Instruction	1,371	24,584,313	1,367	25,963,276	(4)	1,378,963	5.6%	
Extension & Public Service	169	1,378,965	169	1,708,431	0	329,466	23.9%	
Library	68	523,626	68	554,363	0	30,737	5.9%	
Student Services	281	2,292,508	281	2,404,178	0	111,670	4.9%	
Maint & Operation of Plants	56	445,967	55	533,806	(1)	87,839	19.7%	
<b>Grand Total</b>	<b>2,007</b>	<b>\$29,802,856</b>	<b>2,011</b>	<b>\$31,895,905</b>	<b>4</b>	<b>\$2,093,049</b>	<b>7.0%</b>	

As shown in Table 3, part-time positions are increasing by 5 from the FY 06-07 budget and the associated salaries are increasing by 7.2%.

Table 4 contains a list of positions that are required for the success of the initiatives related to the strategic plan scheduled to begin in FY 2007-08. As mentioned previously, if the 30 anticipated special retirements are not achieved before the end of the current fiscal year, funding for the special incentives will be reduced and some of the following positions will not be filled.

**Table 4**

<b><u>New Positions Related to Initiatives</u></b>				
<b>Initiative</b>	<b>Operational Needs</b>	<b>Salary</b>	<b>Amount</b>	<b>Description</b>
1	MWBE- Minority Women Owned Business	65,198	1	MWBE Director
8	Capital Project Asst Admin.	56,250	1	Accountant
	Public Safety Peace Officers	200,000	4	Officers
<b>New Initiatives</b>				
2	Internal Audit Function	97,500	1	Director Internal Audit
3	Connect To College Program	13,853		Adjunct Faculty - PT
4	Connect To College Program II	16,623		Adjunct Faculty - PT
5	Corporate Outreach	11,082		Adjunct Faculty - PT
7	Development of Associate Degree in Fire Science	36,940		Adjunct Faculty - PT
9	Retention	161,250	3	Counselors
11	Distance Education Initiative	78,711	1	Technologist
13	Lifelong Learning Initiative	97,500	2	Admin Assts.
15	Increase Weekend College Usage	29,552	3	PT - Clerks
			2	PT - Supervisors
			1	PT- Counselor
16	Establish VP for External Affairs/Marketing	161,250	1	Grants Writer
			1	Lawyer
18	Increasing International Students	69,836	2	International Student Affairs Counselors
<b>Total Salary</b>		<b>1,095,545</b>	<b>17</b>	<b>Full-time Positions, 10 Part-time</b>

**Fringe Benefits**

The Adopted Budget for fringe benefits is detailed in Table 5.

**Table 5**

Object of Expense	Adopted FY 06- 07	Adopted FY 07- 08	FY 07-08 vs. FY 06-07		Projected FY 06- 07	Adopted vs. Projected	
			Adopted Budget	% Change		Projected	% Change
Social Security Contribution	\$8,370,000	\$9,019,555	\$649,555	7.8%	\$8,415,769	\$603,786	7.2%
Health Insurance	14,012,000	14,781,175	769,175	5.5%	13,416,896	1,364,279	10.2%
TIAA CREF (Retirement)	6,052,000	6,525,003	473,003	7.8%	6,101,830	423,173	6.9%
Health Insurance Retirees	5,988,995	5,612,438	(376,557)	-6.3%	5,230,483	381,955	7.3%
Teachers Retirement	1,569,000	1,406,953	(162,047)	-10.3%	1,390,904	16,049	1.2%
Medicare Reimbursement	860,003	987,503	127,500	14.8%	929,417	58,086	6.2%
Workers' Compensation	750,000	847,000	97,000	12.9%	750,000	97,000	12.9%
Dental	720,004	737,654	17,650	2.5%	712,293	25,361	3.6%
State Retirement	2,627,836	2,540,372	(87,464)	-3.3%	2,330,765	209,607	9.0%
Optical Plan	150,003	143,364	(6,639)	-4.4%	140,427	2,937	2.1%
Unemployment	230,000	137,000	(93,000)	-40.4%	97,902	39,098	39.9%
	\$41,329,841	\$42,738,017	\$1,408,176	3.4%	\$39,516,686	\$3,221,331	8.2%

Fringe benefits are increasing by \$1.4 million or 3.4% from the Adopted FY 2006-07 Budget. The FY 2007-08 Adopted Budget is an increase of \$3.2 million or 8.2% compared to the FY 2006-07 projection. The largest increases to the recently adopted budget can be found in active health insurance and social security contributions.

Active health insurance is increasing by approximately \$770,000 and health insurance for retirees is decreasing by \$377,000 compared to FY 2006-07 budget. However, compared to the projection for FY 2006-07, health insurance is increasing by \$1.4 million or 10.2% and health insurance for retirees is increasing by approximately \$382,000 or 7.3%. Depending on when the new hires start, this funding level should be sufficient. Although, according to New York State’s Quarterly report rates are projected to increase 12% for active employees and close to 13% for retiree Medi-Prime rates. However, historically health insurance rates have finalized at year end lower than New York State’s quarterly projection report.

With a \$5.7 million increase in FY 2007-08 budgeted salaries, social security is also expected to rise. It is increasing 7.8% or by \$650,000 compared to the last year’s adopted budget. The New York State Retirement budget is \$87,000 lower than the adopted budget. The budget is based on drawing down \$445,592 from the College’s retirement contribution reserve fund. 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. The reserve will be drawn down in three consecutive years starting in FY 2006-07. Teacher’s retirement is decreasing by \$162,000 or 10.3% from the FY 2006-07 budget. The budgeted amount is based on the actual bill from New York State Teachers Retirement System (NYSTRS) for FY 2007 of approximately \$1.4 million. Added to the bill is the contracted Nassau County College Federation of Teacher’s (NCCFT) 4.8% cost of living adjustment and step increase. Unemployment has been reduced by \$93,000 or 40% from the FY 2006-07 budget. The lower amount of \$137,000 is an improved estimate since the FY 2006-07 projection is \$98,000. The FY 2007-08 budget for the optical plan

includes the costs for both active and retired employees. The FY 2007-08 budget of \$150,000 is \$6,600 less than last year’s budget. The dental budget of \$738,000 is \$17,700 greater than the FY 2006-07 budget and \$25,000 greater than the FY 2006-07 projection.

**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 \$2.9 million or 12.6% from the FY 2006-07 budget and \$1.7 million or 7.0% from the FY 2006-07 projected actual. The distribution of these costs by function can be seen in Table 6.

**Table 6**

Function	FY 06 - 07	FY 07 - 08	FY 07-08 vs.		FY 06 - 07	FY 07-08	% Change
	Adopted Budget	Adopted Budget	FY 06-07 Adopted Budget	% Change	Projected Actual	Proposed vs. Projected	
General Administration	\$3,106,682	\$3,504,382	\$397,700	12.8%	\$2,150,200	\$1,354,182	63.0%
Instruction	2,376,659	2,639,004	262,345	11.0%	2,112,100	526,904	24.9%
Extension & Public Service	230,942	280,942	50,000	21.7%	379,100	(98,158)	-25.9%
Library	524,455	599,455	75,000	14.3%	657,700	(58,245)	-8.9%
Student Services	747,632	601,658	(145,974)	-19.5%	1,070,000	(468,342)	-43.8%
Maint & Operation of Plant	15,937,805	18,197,693	2,259,888	14.2%	17,761,800	435,893	2.5%
	\$22,924,175	\$25,823,134	\$2,898,959	12.6%	\$24,130,900	\$1,692,234	7.0%

Historically, OTPS spending has been less than budget due to shortfalls in revenues. In order to avoid running deficits, cutbacks in OTPS spending were implemented and many projects and departmental needs were deferred. The College does not expect any shortfalls in revenue in the current year and plans to spend more than the adopted allocation for OTPS expenses. Many of the planned projects are capital in nature and will address infrastructure needs as well as operational needs.

General Administration is growing by about 12.8% in FY 2007-08 due to primarily an increase of \$855,000 for the FY 2007-08 special initiatives. Other special initiatives include the following: \$175,000 in Instruction, \$25,000 in Extension & Public Service, \$100,000 for Library, \$63,700 in Student Services and \$300,000 in Maintenance and Plant Operations. Additionally, the College has slated special projects for FY 2007-08 which are listed in Table 7. Since the \$2.3 million for these projects exceeds the \$1.3 million budgeted for them in FY 2007-08 their implementation will be based on funding availability and continuation of ongoing projects.

OTPS expense is up due in part to a \$900,000 increase for Central Utility Plant (CUP) charges. The prior year’s County estimate was approximately \$1 million understated in interfund charges. The College prepares its budget in April, before the previous year’s charges become actual, so the budget is based on estimates. Based on last year’s actuals, which were over budget \$854,000, the College estimates there will be a \$900,000 shortfall in the current year. These costs include higher charges and other energy related expenses passed on by Trigen Energy to the College, Medical Center, Coliseum and Marriott. Trigen Energy provides energy and chilled water to these facilities. LIPA, the largest component of Trigen, recently split from the meter recording all Trigen use. These utility costs for the last part of FY 2006-07 and continuing into FY 2007-08 will be charged to the College’s utility line rather than the interfund charges line.



As mentioned previously, the FY 2007-08 budget includes about \$1.3 million in funding for special projects. These are the projects that the College has identified but their selection will depend on funding as the year progresses. If shortfalls in revenue occur, portions of projects or entire projects will be deferred until funding becomes available.

**Table 7**

<b><u>Projects Planned For FY 2007-08</u></b>	
Installation of Perkins and other Grant Items	\$30,000
Warehouse software integration and facilities modification	55,000
Doors-egress, fire doors ADA access	190,000
Tower elevators safety access	75,000
Library pedestal fountain and Cluster A fountain	105,000
Bradley Hall and Day Care Center boilers	95,000
6 main high mast lighting hoisting gear and electrical cables	60,000
Asphalt and concrete repair to meet immediate conditions	150,000
Graphics for various directories	175,000
Conversion of various educational facilities to meet evolving curricular program including the Library	250,000
Continuation of NIOSH remediation in various College locations	275,000
Security & Surveillance	185,000
Vertical & horizontal recaulking of the Library	190,000
Perimeter Road lighting	100,000
Conversion of Military Property	325,000
<b>Total</b>	<b>\$2,260,000</b>

**2008 INITIATIVES**

The FY 2007-08 budget includes approximately \$3.1 million in initiatives offset by anticipated \$615,230 in revenues and \$27,500 in expense savings. The College anticipates that these efforts will generate far greater revenue in the future.

**I. Health and Safety Related Initiatives \$790,000**

*Fire Alarm and Public Address System* (\$300,000): Modernize the campus’s aged fire alarm system and install a campus-wide public address system to replace existing systems ranging in age from 20 to 60 years old.

*Background Security Checks* (\$40,000): Background screening of employees is designed to remove potential risks to students and staff of the college.

*Public Safety Overtime* (\$100,000): To compensate for shortage of personnel needed to perform routine patrol duties, support recently implemented public safety programs and cover the security requirements for college and non-college events held on campus.

*Peace Officers, new and upgraded personnel* (\$350,000): This initiative will enhance security measures by upgrading four existing personnel and hiring four additional personnel who will hold “Peace Officer” status at a salary of \$50,000 plus fringe benefits.

**II. Educational Enhancements \$1,576,763**

*Establish VP for Advancement/External Affairs/Marketing Initiative* (\$565,000): To increase the college’s advertising budget to better coordinate and focus its publications, public relations and community relations activities in order to compete with existing colleges in the Long Island area. It is anticipated that these efforts and additional efforts will generate additional revenues through greater enrollment and increased financial support via private donations and other funding streams. Included in this initiative are:

- Hiring a new college counsel at a salary level of \$90,000 plus fringe benefits
- Funding for an additional grants writer at a salary level of \$71,250 plus fringe benefits
- Replace the Vice President for Legal and External Affairs with a Vice President for Advancement and Community affairs (the salary level has not yet been determined)

*Retention* (\$215,000): Three new positions at a salary of \$51,750 each, plus fringe benefits will be created to improve the retention of students through the implementation of various measures including keeping the current supplemental instruction “Help Centers” open for additional hours and weekends, establishing new Help Centers and developing individual learning plans for incoming freshmen to pilot high risk students.

*Increasing International Students* (\$144,815): To increase the number of international students, two additional student affairs counselors will be hired at a salary level of \$34,951 plus fringe benefits. These students generate additional revenue due to the double tuition and FTE reimbursement by the State.

*College Library renovation* (\$100,000): To enhance the library's capacity for student learning support through reorganization, redesign and renovation.

*Weekend College* (\$162,000): This initiative seeks to take the necessary steps to attract and retain students to the Weekend College, including additional support services such as advisement, student counseling, registrar, bursar and enhancement of health services from current levels. This initiative offers more options for students seeking higher educations generating more revenue to the NCC and utilizing classroom space that is available on the weekend, but not during the week. This initiative calls for assigning additional hours for part-time clerk, supervisors and counselor, with a combined compensation for these positions of \$29,552.

*Lifelong Learning* (\$150,000): This initiative will require two additional administrative assistants at a salary of \$51,750 plus fringe benefits.

*Distance Education Initiative* (\$146,948): The College is seeking to include at least 30 additional courses over the next five years which will require one new technologist position at a salary of \$78,711 plus fringe benefits.

*Development of Associate Degree in Fire Science* (\$43,000): To initiate a new pilot program in fire science, hazardous materials management and risk assessment. This initiative calls for additional adjunct spending in the amount of \$36,960.

*Connect to College Program I* (\$15,000): This program will offer selected NCC courses on-site to high school students who qualify. Offering selected courses at a two-thirds discount at local high schools frees up classrooms on campus, allowing for additional enrollment on campus for NCC students at the same time and potential enrollment. This initiative calls for additional adjunct spending for \$13,853.

*Connect to College Program II* (\$18,000): This program will offer remedial courses on-site to the high school students who failed to score the minimum grade on the placement exams which are required to qualify to take NCC credit courses. Testing these students necessitates a small sum of additional funding as NCC counselors are sent to the high school. The cost will be potentially offset by the generation of base aid for college students taking courses in the newly available space on campus, as well as the discounted tuition that high school students pay for remedial courses. This initiative calls for additional adjunct spending for \$11,083.

*Corporate Outreach* (\$17,000): Working adults will be provided with a convenient opportunity to advance their education while enhancing potential earnings. The cost of this initiative includes the development of promotional materials, whereas the college, the employee, the employer (many of whom subsidize the tuition cost) and the Long Island community benefit. This initiative will expend \$11,082 for additional adjunct spending.

**III. Enhanced Financial and Contractual Controls \$405,000**

*Outside consultant – Internal Controls and Grants* (\$200,000): This outside consultant would review internal controls in the SCT-Banner system, which will process more than \$100 million in student

tuition and fees, and State and Federal assistance. The consultant will also review longstanding grants to the college and conduct closeout accounting.

*Internal Audit Function* (\$130,000): This initiative will implement an Internal Audit Function, to evaluate the adequacy of existing internal controls and determine compliance with related policies and procedures. This initiative calls for one new position of director of internal audit, with a salary level of \$97,500 plus fringe benefits.

*Capital Project – Processor/expeditor* (\$75,000): To fulfill a capital accountant function, this initiative calls for one new position of accountant with a salary of \$64,823 plus fringe benefits.

**IV. Other Items: \$301,930**

*Course Catalog* (\$115,000): The printing of course catalog benefits students and is part of the College's promotional materials, which is printed every two years.

*Student aid increase of \$1/hour* (\$100,000): This increase raises the hourly pay from \$5.15 to \$6.15 which has not been increased since 1997.

*Minority/Women-Owned Business Enterprise (M/WBE) compliance position* (\$86,930): County law requires extensive outreach and monitoring efforts to assure that minority and women-owned business enterprises are given reasonable opportunity to complete or County contracts. This initiative calls for one new position of M/WBE Director for \$65,193, plus fringe benefits.

**REVENUE BUDGET**

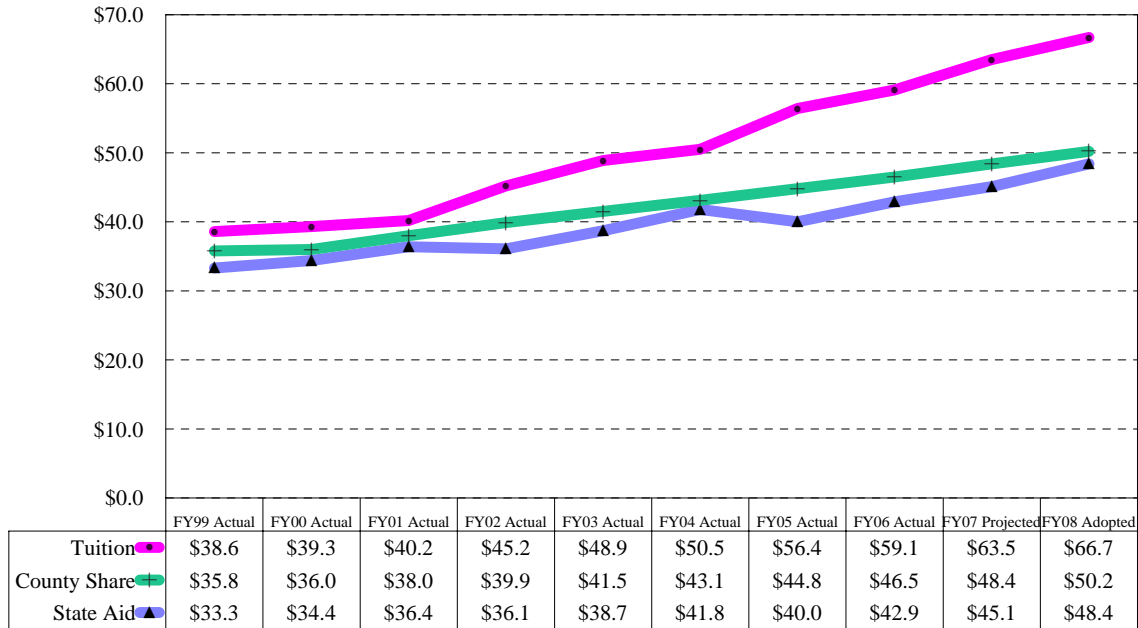
The Nassau Community College FY 2007-08 operating budget of \$189.5 million was adopted by the Legislature on August 30, 2007. This represents an increase of \$9.7 million, or nearly 5.4%, over the current year adopted budget of \$179.8 million. Compared to the projected revenues that will be collected this year, the increase is \$8.2 million, or 4.5%. The revenue increase is based on both a flat enrollment and FY 2007-08 new revenue generating initiatives. This budget was unanimously approved on May 8, 2007 by the College’s Board of Trustees.

**Table 9**

Revenue Source	Adopted FY 2006 - 2007	Adopted FY 2007 - 2008	Adopted FY 07 Adopted FY 08	% Change	Projected FY 2006 - 2007	Adopted vs Projected	% Change
Tuition	\$63,064,728	\$66,689,203	\$3,624,475	5.7%	\$63,515,987	\$3,173,216	5.0%
Property Taxes	48,361,156	50,247,241	1,886,085	3.9%	48,361,156	1,886,085	3.9%
State Aid	45,106,906	48,410,675	3,303,769	7.3%	45,074,653	3,336,022	7.4%
Rev. Lieu Spons. Share	13,344,695	13,982,043	637,348	4.8%	14,039,149	(57,106)	-0.4%
Rev. Offset To Expense	3,400,000	3,660,000	260,000	7.6%	3,625,000	35,000	1.0%
Service Fees	4,845,661	4,908,390	62,729	1.3%	4,556,994	351,396	7.7%
Rents & Recoveries	900,000	800,000	(100,000)	-11.1%	900,000	(100,000)	-11.1%
Investment Income	500,000	525,000	25,000	5.0%	650,000	(125,000)	-19.2%
Federal Aid	250,000	250,000	0	0.0%	350,000	(100,000)	-28.6%
Fund Balance	0	0	0	0.0%	161,500	(161,500)	-100.0%
<b>Total Revenues</b>	<b>\$179,773,146</b>	<b>\$189,472,552</b>	<b>\$9,699,406</b>	<b>5.4%</b>	<b>\$181,234,439</b>	<b>\$8,238,113</b>	<b>4.5%</b>

In New York State, every high school graduate is guaranteed admission to his or her local community college. The college is funded through a partnership of student tuition, the State and the County, with Nassau’s local share being provided by way of a dedicated property tax levy.

**Chart 3**  
**Tuition, County Share, and State Aid**  
 FY 1999 - 2008  
 (in millions)



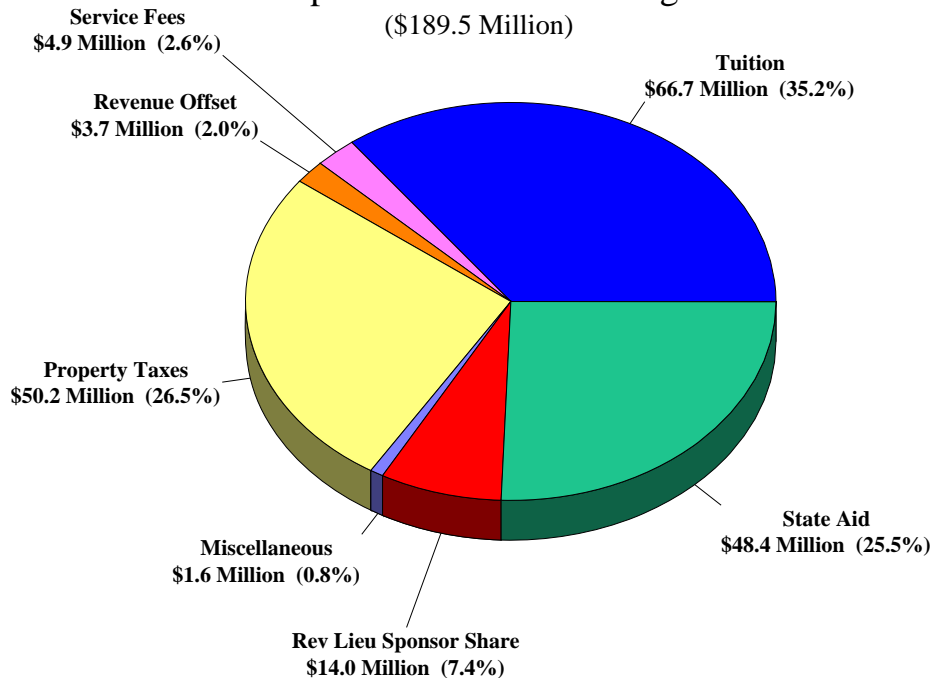
From FY 1998-99 actuals to the FY 2007-08 budget amounts, annual tuition receipts will have risen 74.2%, state aid 57.1% and County share 40.4%. At the FY 2007-08 levels, the annual tuition rate will have risen 62% since 1999, while the state aid per FTE grew by 30.5%.

The largest revenue source for the College is tuition, with a FY 2007-08 budget of \$66.7 million. The other major sources of revenue are property taxes (\$50.2 million), state aid (\$48.4 million), and revenue lieu sponsor share (\$14.0 million). The remaining \$10.2 million consists of revenue offset to expenses (\$3.7 million), service fees (\$4.9 million), and miscellaneous, including rents & recoveries, investment income, and federal aid (\$1.6 million).

Chart 4

# Revenue Sources

Adopted FY 2007 - 08 Budget  
(\$189.5 Million)

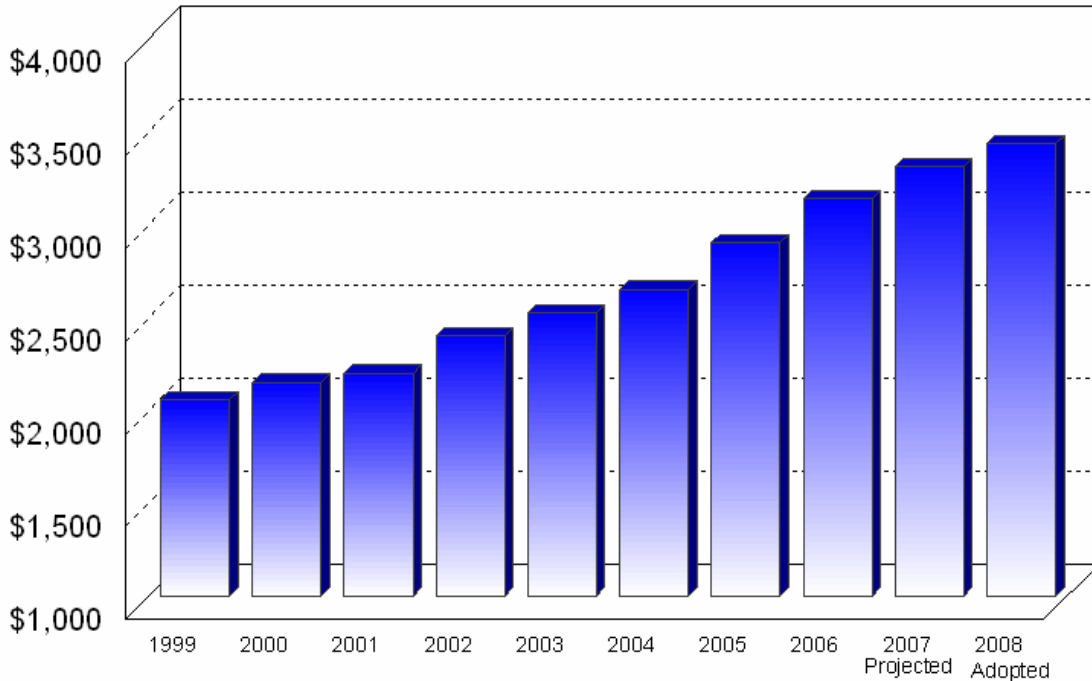


## Tuition (\$66,689,203)

The College's adopted \$66.7 million budget for tuition, or student revenues, was based on an annual tuition increase of \$124 applied to flat enrollment growth, from \$3,310 to \$3,434, or 3.7% above the current year rate. In addition, SUNY has implemented an informal 5.0% cap on tuition, based on the Higher Education Price Index (HEPI). HEPI is an inflation index that has been designed for higher education specifically and is considered an important benchmark for colleges and universities.

Tuition at NCC has risen steadily, as demonstrated in Chart 5 since slight reductions in fiscal year FY 1997-98 and FY 1998-99. The rate for FY 2007-08 brings the average annual increase since 2000 to 6.0%. The FY 2007-08 full-time student average tuition rate for community colleges in New York State is \$3,173. The average change in tuition rates from last year for New York State community colleges as of May 21, 2007 equals a change of \$114, ranging from a zero increase to a possible \$260 increase, as demonstrated in Exhibit 3. Only one community college reports a zero tuition hike, versus the nearly 20% of the community colleges reporting zero increases last year.

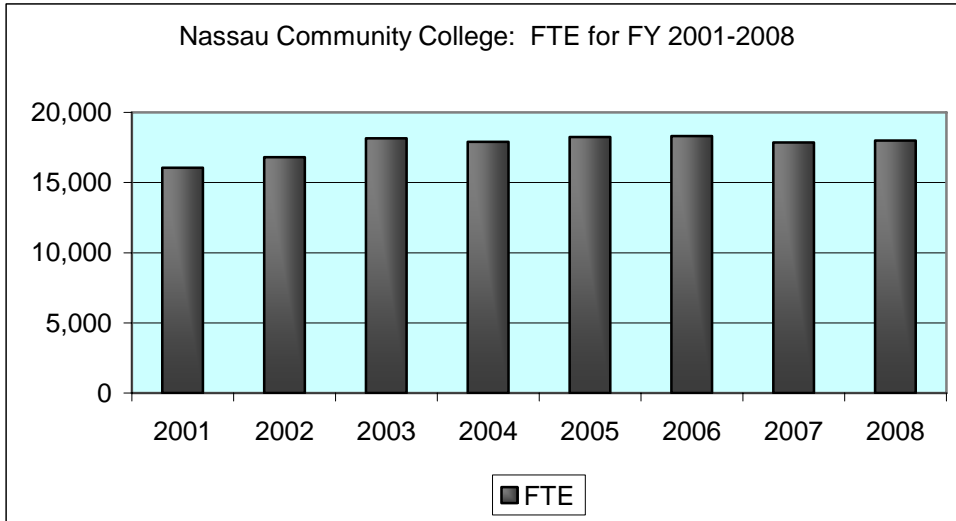
Chart 5  
 Nassau Community College Tuition  
 1999 - 2008



As computed in the following chart, the college's FTE's have averaged 17,638 students over the past years, ranging from 16,053 in 2001, to 17,642 budgeted in 2007. At the time the FY 2007-08 budget was formulated projected enrollment for the current academic year was anticipated to increase by 2.38% over the prior year. The College is now projecting that enrollment growth for the FY 2006-07 academic year will be 2.027%. This decrease of 62 FTE's would result in a shortfall of student revenues of approximately \$200,000 if enrollment is flat in FY 2007-08.



Chart 6



This is the first year that the College will be incorporating strategic planning initiatives into the budget. These efforts cover health and safety concerns, operational needs and strategic plan initiatives. Included in the revenue budget for FY 2007-08, is \$580,230 of additional tuition revenues as a direct result of these initiatives. For a detail of FY 2007-08 initiatives please see 2008 Initiatives section.

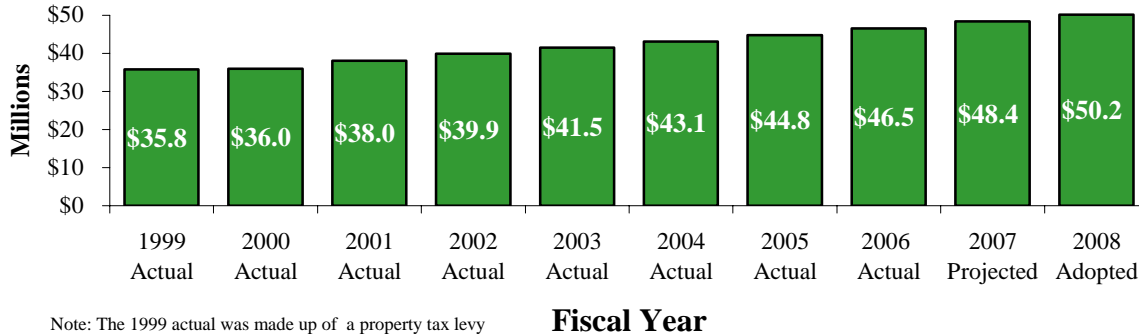
We have provided a statistical snapshot of the student body at NCC during the spring FY 2007-08 semester as per Exhibit I at the end of this section.

**Property Taxes (\$50,247,241)**

County share is made up of a dedicated property tax levy. The statewide average of County share (“Sponsor’s Contribution”) as a percentage of operating revenues for all community colleges in FY 2005-06 was 27.3%. Nassau County’s share, in the adopted budget, is 26.5%. The amount of \$50.2 million represents an increase of 40.2% since years FY 1994-95 through FY 1998-99 when the County contribution remained constant at \$35.8 million.

Chart 7

**County Share (Property Tax)  
FY 1999 - 2008**



Note: The 1999 actual was made up of a property tax levy of \$27.0 million and an interfund revenue of \$8.8 million.

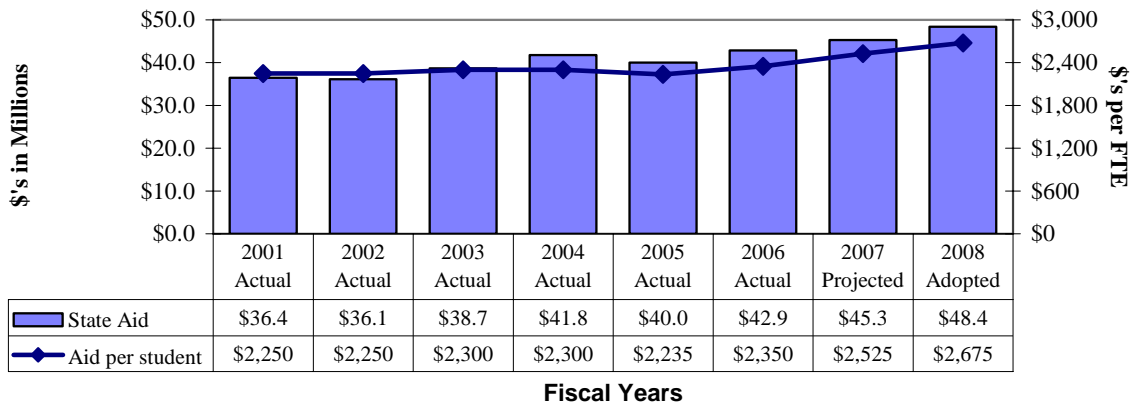
The adopted budget is based on a 3.9% increase or \$1.9 million in the tax levy dedicated to the College. Based on current rates, the \$1.9 million incremental in the recently adopted budget as compared to the FY 2006-07 adopted budget, will cost the average Nassau homeowner an additional \$3.70, for a total contribution to the College of \$98.59.

**State Aid (\$48,410,675)**

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 FY 2007-08, the State is providing an additional \$150 per FTE in base aid over the current year’s appropriation. This will increase the College’s current \$2,525 paid per FTE in FY 2006–07 to \$2,675 in FY 2007-08. This is an increase of 5.9%.

Chart 8

**State Aid  
FY 2001 - 2008**



As was previously mentioned regarding tuition, the FY 2007-08 budget is based on an earlier estimate that anticipated a higher enrollment addition for FY 2006-07 than has materialized. The lower enrollment projection would result in \$187,000 less state aid than what is estimated for the FY 2007-08 budget.

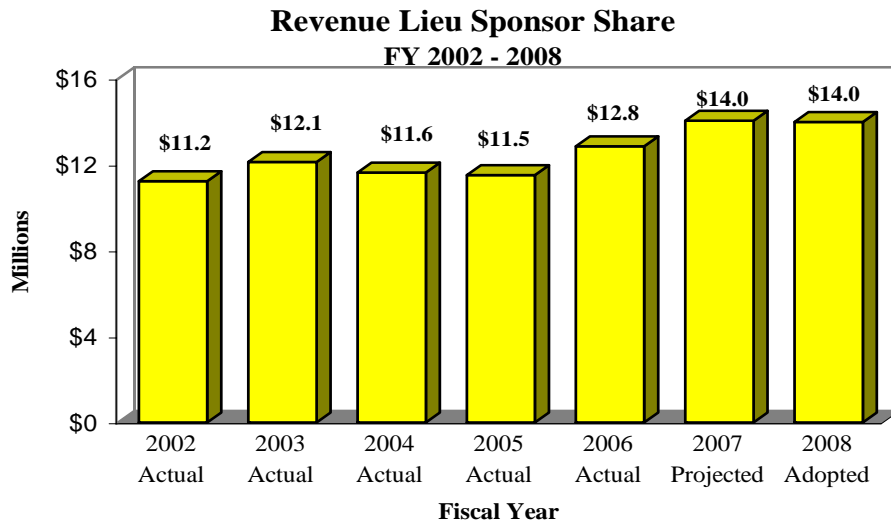
**Revenue Lieu Sponsor Share - Charges Other Counties (\$11,787,500) and Non-Residents (\$2,194,543)**

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, calculated by the State, is based upon County expenditures for Nassau residents attending the College.

Of the 21,229 total enrolled students as of the spring 2007 semester, 77.9% were from Nassau County, 6.5% came from Queens, and 4.7% were from Suffolk County. The remaining 1.9% enrollment came from elsewhere in New York State, or out of state. Compared to last year, Nassau resident enrollment increased by 159 students, or 0.97%, students from Queens decreased by 2.3%, or 61 students, and Suffolk County residents attending NCC increased by 7.05%, from 1,630 to 1,745 students

As of the spring FY 2006-07 semester the College received chargeback revenues for 1,278 full-time and 908 part-time students who reside in Queens, resulting in a total decrease of approximately 1.8% (40 students) or 1.67% credits from the previous spring. Residents of Queens account for over 11% of total NCC enrollment. Suffolk County students on the other hand, representing approximately 7.0% of all students, experienced an overall increase from last year of approximately 2.1%.

Chart 9



The current FY 2006-07 chargeback rate is \$3,560 per non-resident FTE. The FY 2007-08 rate is projected to marginally increase to \$3,590 or 0.8% more than this year. Generally, the rate gets higher as the County’s property tax contribution increases. Prior year adjustments and number of Nassau residents attending the college also affect the chargeback rate. The FY 2007-08 amount for this revenue source amounts to \$11.8 million. The college assumes out of County enrollment will continue at the

FY 2006-07 level. Based on the current enrollment levels, this revenue is understated by approximately \$200,000.

In addition to the revenue received from other counties, the College is able to charge double the tuition rate to non-Nassau County residents without a certificate of residence and to out of state residents. The anticipated revenue from these students in the adopted FY 2007-08 budget year is \$2.2 million, representing approximately \$2.0 million anticipated from international students and students from a New York State who do not hold a certificate of residency and \$154,500 from non-New York State students.

**Revenue Offset to Expenses (\$3,660,000)**

This revenue source consists of commissions, contract education for various subjects and special course fees that are charged to pay for the costs associated with some courses and programs, such as classes in adult education, corporate training, and English as a second language. A surplus of \$225,000 is expected in this revenue category over the current year’s budget of \$3.4 million. The FY 2007-08 budget of \$3.7 million is greater than the FY 2006-07 projection by \$46,000. This is an area in which the College’s marketing and enrollment management efforts can contribute. In addition, the adopted budget includes \$35,000 in continuing education initiatives.

**Service Fees (\$4,908,390)**

The majority of income for service fees comes from student lab and technology fees. The adopted budget for service fees is increasing by 1.3% or \$62,729 over the FY 2006-07 budget, and \$24,890, or 0.5% over the projected actuals for the current year. Chart 9 below outlines the difference in service fees and revenues from projected FY 2006-07 amounts to FY 2007-08.

**Table 10**

<b>Service Fees</b>						
<b>Projected FY 2007 vs. Adopted FY 2008</b>						
Service Fee: Source	Fee	FY 06-07	Fee	FY 07-08	Variance	
		Projected Revenue		Adopted Budget	Fee	Revenue
Technology Fee	\$40	\$1,435,000	\$40	\$1,444,000	\$0	\$9,000
Student Lab Fees Day	100	1,532,000	100	1,544,890	0	12,890
Application	30	461,000	40	461,000	10	0
NG Check Fee	20	15,000	20	15,000	0	0
Transcript Fees	5	210,000	5	210,000	0	0
Late Registration	25	478,000	25	478,000	0	0
Nursing Evaluation	75	1,500	75	1,500	0	0
Tuition Pay Plan	25	260,000	25	260,000	0	0
Change of Program	25	80,000	25	80,000	0	0
Int'l Student Insurance	1,000	12,000	1,000	15,000	0	3,000
Convenience Fee	18	75,000	18	75,000	0	0
Vehicle Registration	45	324,000	45	324,000	0	0
<b>Totals</b>		<b>\$4,883,500</b>		<b>\$4,908,390</b>		<b>\$24,890</b>

**Other (\$1,050,000)**

The majority of this category, \$800,000, 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 as revenue

in the current year. The remaining \$250,000 is for federal aid the College receives for expenses associated with its work-study program, 75% of which is reimbursed by this revenue.

**Investment Income (\$525,000).**

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 the current year OLBR is projecting this revenue source to exceed budget by approximately \$150,000. Anticipating interest rates to remain relatively constant, the increase reflects interest earned on higher cash balances. In FY 2007-08 investment income could again exceed the proposed budget, if the College does not have to use some its existing fund balance (\$7.9 million) to fund the retirement incentive program in FY 2006-07.

**Exhibit 1****Statistical snapshot: Student body as of Spring 2007 semester:<sup>1</sup>:**

- Overall, enrollment for FY 2006-07 has increased by 1.96% from the prior year.
- 19,791 students were enrolled in more than 30 academic departments, of which 62% were full time students. Of the 12,175 full time students, 87% attended day classes.
- Specifically, full time day and evening student enrollments have increased by 356 (3.4%) and 182 (13.0%) students respectively. On a part-time basis, there were 51 more evening students enrolled (1.4%), offset by a 4.4% decrease in day students, or a 188 drop in part time day enrollment from the spring 2005-06 semester.
- As of the spring 2007, excluding those of unknown origin, 46.0% of the students were members of ethnic minorities, up from 45.6% last year. African American students accounted for 20.7% of total enrollment, 13.0% of students were of Hispanic origin, 6.4% were of Asian descent, and 0.3% of students were American Indian.
- 5.6% of students enrolled were non-U.S. citizens,
- Since spring 2001, Hispanic, Asian and Afro-American student body increased by 18.3%, 4.4% and 21.1% respectively, while white enrollment decreased by 1.2%.
- Overall, from spring 2001 to spring 2007 semester the College's minority enrollment has increased by 5.7%. From the fall 2000 semester to the fall 2006 semester, the college's minority enrollment has increased by 13.1%.
- Approximately 70 percent of Nassau's graduates continue their education at a four-year institution.
- Approximately 19%-20% 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 through 2009, according to the latest projections of New York State high school graduates reported by the New York State Education Department.

The following illustrates Nassau students, by community, enrolled at the College. See also Exhibit 2 for a listing of student enrollment by community in Nassau County.

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

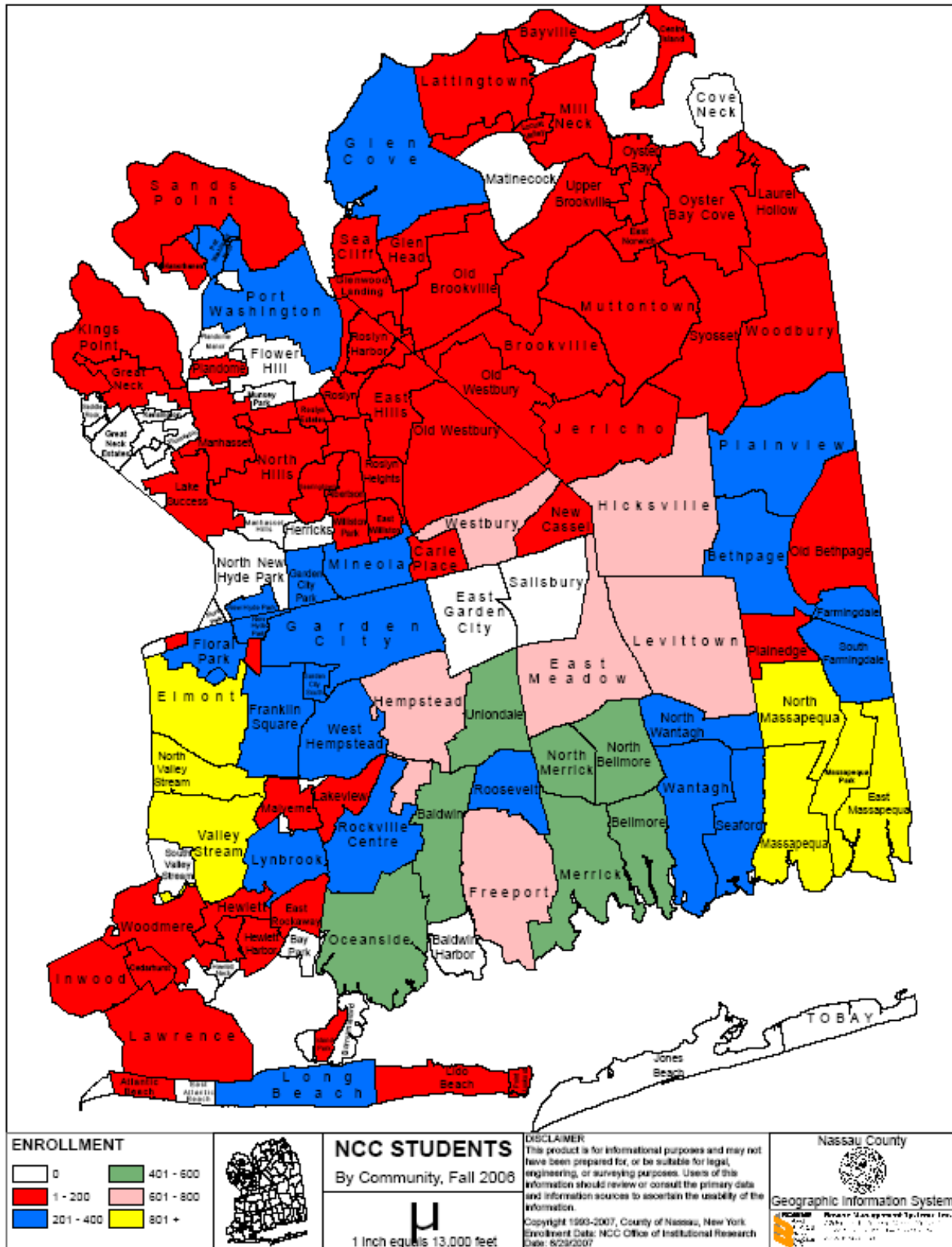


Exhibit 2

**Student Enrollment by Community: Fall 2006**

COMMUNITY	Enrollment	Percent
Albertson	74	0.35%
Amityville	5	0.02%
Atlantic Beach	29	0.14%
Baldwin	549	2.59%
Bay Park	0	0.00%
Bayville	77	0.36%
Bellerose	16	0.08%
Bellmore (includes N. Bellmore)	460	2.17%
Bethpage	277	1.30%
Brookville	9	0.04%
Carle Place	94	0.44%
Cedarhurst	47	0.22%
Center Island	1	0.00%
East Hills	2	0.01%
East Meadow	605	2.85%
East Norwich	24	0.11%
East Rockaway	140	0.66%
East Williston	21	0.10%
Elmont	802	3.78%
Farmingdale (includes So Farmingdale)	250	1.18%
Floral Park (includes South Floral Park)	299	1.41%
Franklin Square	340	1.60%
Freeport	677	3.19%
Garden City (inc. Garden City Park and Garden City So)	253	1.19%
Gibson	2	0.01%
Glen Cove	338	1.59%
Glen Head	58	0.27%
Glenwood Landing	11	0.05%
Great Neck	187	0.88%
Greenvale	19	0.09%
Hempstead (inc. South Hempstead)	791	3.73%
Hewlett (inc. Hewlett Hbr and Hwlt Bay Pk)	66	0.31%
Hicksville	613	2.89%
Inwood	137	0.65%
Island Park	127	0.60%
Jericho	77	0.36%
Kings Point	4	0.02%
Lake Success	1	0.00%
Lakeview	4	0.02%
Lattingtown	3	0.01%
Laurel Hollow	6	0.03%
Lawrence	56	0.26%
Levittown	778	3.66%
Lido Beach	18	0.08%
Locust Valley	64	0.30%
Long Beach	367	1.73%
Lynbrook	287	1.35%



Student Enrollment by Community: Fall 2006

COMMUNITY	Enrollment	Percent
Malverne	110	0.52%
Manhasset	79	0.37%
Manorhaven	1	0.00%
Massapequa (includes Mass Park and No. Mass)	892	4.20%
Merrick (includes North Merrick)	431	2.03%
Mill Neck	4	0.02%
Mineola	255	1.20%
Muttontown	6	0.03%
New Cassel	1	0.00%
New Hyde Park	364	1.71%
North Hills	1	0.00%
Oceanside	443	2.09%
Old Bethpage	33	0.16%
Old Brookville (inc. Upper Brookville)	9	0.04%
Old Westbury	17	0.08%
Oyster Bay (includes Oyster Bay Cove)	72	0.34%
Plainedge	4	0.02%
Plainview	251	1.18%
Plandome	1	0.00%
Point Lookout	14	0.07%
Port Washington (includes P. Wash No)	202	0.95%
Rockville Centre	263	1.24%
Roosevelt	281	1.32%
Roslyn (includes Estates, Harbor, Heights)	148	0.70%
Sands Point	4	0.02%
Sea Cliff	48	0.23%
Seaford	302	1.42%
Searingtown	9	0.04%
Stewart Manor	19	0.09%
Syosset	169	0.80%
Uniondale	491	2.31%
Valley Stream (includes N. Valley Stream)	873	4.11%
Wantagh (inc N. Wantagh)	393	1.85%
West Hempstead	381	1.79%
Westbury	638	3.01%
Williston Park	124	0.58%
Woodbury	52	0.24%
Woodmere (inc N. Woodmere)	92	0.43%
<b>Total Nassau County</b>	<b>16,542</b>	<b>77.92%</b>
<b>Suffolk County</b>	<b>1,745</b>	<b>8.22%</b>
<b>Queens County</b>	<b>2,539</b>	<b>11.96%</b>
<b>All Other</b>	<b>403</b>	<b>1.90%</b>

SOURCE: NASSAU COMMUNITY COLLEGE OFFICE OF INSTITUTIONAL RESEARCH

Exhibit 3

**Full-Time Tuition Rates  
Community College FY 2007 - 08**

(as of May 21, 2007)

	<u>Approved</u>		<u>FY 2007-08</u>	<u>Estimaed Increase</u>	<u>% Change</u>
	<u>FY 2005-06</u>	<u>FY 2006-07</u>			
Adirondack	2,870	3,000	3,130	130	4.3%
Broome	2,814	2,914	3,058	144	4.9%
Cayuga County	2,900	3,100	3,200	100	3.2%
Clinton	3,020	3,120	3,220	100	3.2%
Columbia-Greene	2,832	2,976	3,072	96	3.2%
Corning	3,100	3,200	3,350	150	4.7%
Dutchess	2,600	2,700	2,800	100	3.7%
Erie	2,900	2,987	2,987	0	0.0%
Fashion Institute	3,074	3,151	3,292	141	4.5%
Finger Lakes	2,900	3,050	3,130	80	2.6%
Fulton-Montgomery	2,925	2,975	3,094	119	4.0%
Genesee	3,100	3,200	3,300	100	3.1%
Herkimer County	2,800	2,900	3,000	100	3.4%
Hudson Valley	2,700	2,700	2,800	100	3.7%
Jamestown	3,150	3,250	3,350	100	3.1%
Jefferson	2,928	2,928	3,074	146	5.0%
Mohawk Valley	2,950	3,100	3,250	150	4.8%
Monroe	2,600	2,700	2,800	100	3.7%
<b>Nassau</b>	<b>3,140</b>	<b>3,310</b>	<b>3,434</b>	<b>124</b>	<b>3.7%</b>
Niagara County	3,096	3,168	3,192	24	0.8%
North County	3,050	3,250	3,340	90	2.8%
Onondaga	3,180	3,210	3,280	70	2.2%
Orange County	2,900	3,000	3,100	100	3.3%
Rockland	2,800	3,000	3,200	200	6.7%
Schenectady County	2,750	2,820	2,890	70	2.5%
Suffolk County	2,990	3,100	3,360	260	8.4%
Sullivan County	3,000	3,200	3,360	160	5.0%
Tompkins-Cortland	3,100	3,200	3,325	125	3.9%
Ulster County	3,200	3,200	3,300	100	3.1%
Westchester	3,150	3,350	3,450	100	3.0%
<b>Average</b>	<b>2,951</b>	<b>3,059</b>	<b>3,171</b>	<b>113</b>	<b>3.7%</b>

**MULTI-YEAR PLAN**

The College’s Financial Plan for FY 08 through FY 11, appears below.

**Table 11**

<b>Nassau Community College Multi-Year Plan FY 08- FY 11</b>				
<b>EXPENSES</b>	FY 2008 Adopted Budget	FY 2009 Plan	FY 2010 Plan	FY 2011 Plan
Salaries	\$121,261,401	\$127,172,894	\$133,372,573	\$139,874,486
Fringe Benefits	42,638,017	45,604,466	49,702,833	54,165,953
<b>Sub-total</b>	<b>163,899,418</b>	<b>172,777,361</b>	<b>183,075,405</b>	<b>194,040,439</b>
Equipment	1,939,006	2,000,000	2,000,000	2,000,000
General Expenses	6,457,825	6,525,000	6,600,000	6,675,000
Contractual Services	7,644,415	7,303,050	7,428,050	7,553,050
Utility Costs	5,590,000	5,964,500	6,250,225	6,547,736
Interfund Charges	3,861,888	4,054,982	4,257,731	4,470,618
Other Expenses	80,000	55,000	55,000	55,000
Banner Maintenance	0	550,000	848,750	891,188
<b>Sub-total</b>	<b>25,573,134</b>	<b>26,452,532</b>	<b>27,439,756</b>	<b>28,192,592</b>
<b>Total</b>	<b>\$189,472,552</b>	<b>\$199,229,893</b>	<b>\$210,515,161</b>	<b>\$222,233,031</b>
<b>REVENUES</b>				
Investment Income	525,000	650,000	675,000	700,000
Rents & Recoveries	800,000	700,000	500,000	500,000
Revenue Offset To Expense	3,660,000	3,725,000	3,725,000	3,725,000
Service Fees	4,908,390	4,910,000	4,910,000	4,910,000
Student Revenues	66,689,203	69,178,463	72,637,387	76,269,256
Rev Lieu Sponsor Share	13,982,043	14,527,343	15,093,909	15,682,571
Federal Aid	250,000	250,000	250,000	250,000
State Aid	48,410,675	49,950,000	51,750,000	53,550,000
Property Taxes	50,247,241	52,206,883	54,242,952	56,358,427
<b>Total</b>	<b>189,472,552</b>	<b>196,097,689</b>	<b>203,784,248</b>	<b>211,945,254</b>
<b>Fund Balance Beginning</b>	<b>7,694,195</b>	<b>7,694,195</b>	<b>4,561,992</b>	<b>(2,168,922)</b>
Structural Balance	0	(3,132,203)	(6,730,914)	(10,287,777)
<b>Fund Balance Ending</b>	<b>\$7,694,195</b>	<b>\$4,561,992</b>	<b>(\$2,168,922)</b>	<b>(\$12,456,699)</b>

The out-year estimates for student revenues and state aid assumed flat enrollment at the FY 07 level. As previously discussed, at the time the FY 2007-08 budget was formulated projected enrollment for the current academic year was anticipated to increase by 2.38% over the prior year. However, as a result of a decline in summer 2007 enrollment, the College is now projecting that enrollment growth for the FY 2006-07 academic year will be 2.027%. This decrease of 62 FTE’s would result in a shortfall of student revenues of approximately \$200,000 if enrollment is flat in FY 2007-08. Out year tuition revenues are based on a 5% increase in tuition rate with enrollment flat after adjusting the 2.375%

increase downward to 2.027%. Please note that it has been a goal of the College to offset any 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. With the final results not yet tallied at the time of this writing, enrollment for the fall semester of 2007 is up by 4.5% over the fall of 2006.

As is the case with student revenues, the out-year projections for state aid are based on maintaining the level of enrollment that had been projected last March. The plan assumes a rate per FTE of \$2,675 for FY 08, including \$95,000 in high needs aid. An annual \$100 increase in each of the following three years is also assumed. If New York State maintains this level of aid for another year, no growth in enrollment will be needed in 2008 to make the state aid budget in 2009 (which is based upon the previous year's FTE count). The \$100 rate increases in the final three years of the plan are reasonable considering that over the last ten years the annual increase in the rate has averaged \$68 per FTE.

Other assumptions in the plan on future revenues include the following:

- The property tax levy is projected to grow by 3.9% annually.
- Revenue lieu sponsor share is projected to increase annually by the same 3.9% that the property tax is expected to grow. The number of non-Nassau residents attending the College is projected to remain at the 2007 level.
- The out-year amounts for the remaining revenue sources will likely be adjusted to conform to 2007 actuals and the adopted 2008 budget.

Factors that affect out-year expenses include:

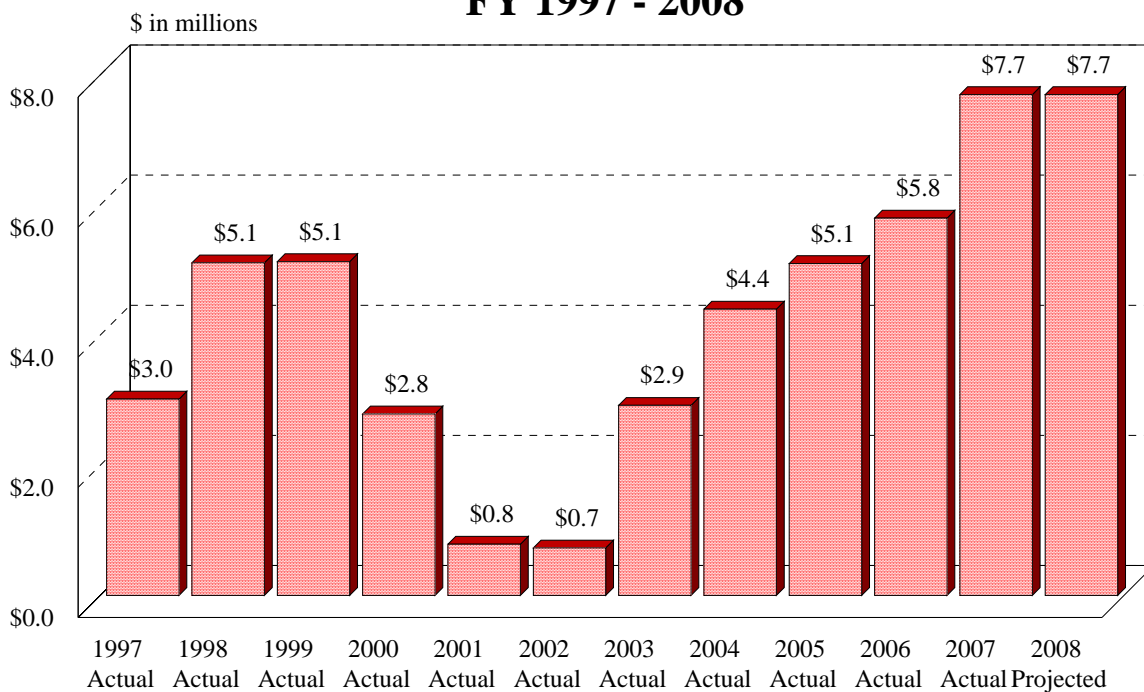
- Salaries are increasing by 4.9% annually through the out-years. The years subsequent to contract expirations are projected using increases consistent with current contracts.
- The Nassau Community College Federation of Teachers (NCCFT) contract was scheduled to expire at the end of FY 08 but the union ratified with NCC board approval to extend the contract until August 31, 2011.
- Savings of \$1,213,228 from the NCCFT Early Retirement Initiative is built into the FY 08 base salary budget. The outyears are projected on the FY 08 base using a blended rate from all contracts.
- The rise in fringe benefit increase, 8.9% in the out-years, is based on salary and rate growth.
- Total OTPS is expected to increase by 3.4% in FY 09, 3.7% in FY 10 and 2.7% in 2011. OTPS expenses are kept low due to the uncertainty of available funding. The increase in 2010 is due to the \$848,750 addition for Banner maintenance. Banner is the system the College is installing for their on-line student service transaction program. Currently costs associated with this are covered under a capital projects, but once it becomes active maintenance costs will have to come out of the operating budget.

**Fund Balance**

With its books not yet closed for 2007, the College is expecting to end the fiscal year with a fund balance of \$7.7 million, which is where it began. That means that the FY 07 operating budget will have broken even, with total expenses equaling total revenues. Whatever is unused will go into the termination reserve, thereby insuring that the unreserved fund balance will remain at \$7.7 million. At that level, the fund balance is below the generally recommended minimum of 5% of the operating budget, which, based upon the adopted FY 08 budget, would require approximately \$9.5 million.

In the past, the College has used its fund balance to help pay for operations while maintaining 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.

**Beginning Fund Balance  
FY 1997 - 2008**



**Gap Closing Initiatives**

As seen in the MYP, the out year gap increases from \$3.1 million in FY 09 to \$10.3 million in FY 11. Out year gap closing measures assume 1) increased state aid rate; 2) appeal to Sponsor for additional 1% property tax revenue; 3) anticipated higher enrollment levels leading to increase tuition and state aid; 4) salary savings initiative due to 2007 early retirement incentive; and 5) net impact from revenue and expense initiatives as discussed previously.

NASSAU COUNTY PUBLIC UTILITY AGENCY

The Nassau County Public Utility Agency (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 megawatts of electricity, obtained from the New York Power Authority (NYPA), to six customers. Businesses are selected based upon their potential for employment growth and capital expansion.

NYPA’s program to supply energy to municipal distribution agencies (MDA’s) such as NCPUA was set to expire at the end of this past June, but was extended for another year by the New York State Legislature. Even if the program is eventually eliminated, NCPUA can seek to obtain energy from other sources and develop an alliance or consortium with other New York counties in order to continue its mission.

FY 06 was the first year that NCPUA became part of the adopted budget. A separate special revenue fund was created for NCPUA, coded PUA, and the department code PU was established.

NCPUA ended FY 06 with a negative fund balance of \$218,395. Available financial data indicate a projected deficit of \$669,000 for FY 07 operations. At this time is not clear what is causing the budgetary imbalance.

REVENUE BUDGET						
Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.
BE Investment Income	\$0	\$4,814	\$0	\$0	\$0	(\$4,814)
BH Departmental Revenues	2,024,365	1,319,843	1,789,146	1,789,146	(235,219)	469,303
<b>Total</b>	<b>\$2,024,365</b>	<b>\$1,324,657</b>	<b>\$1,789,146</b>	<b>\$1,789,146</b>	<b>(\$235,219)</b>	<b>\$464,489</b>

The New York Power Authority bills NCPUA monthly for the electrical usage of its 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 08 has been estimated at \$1,720,333. This would be slightly less than the current budget, and is based upon having one less customer, although it is \$469,303 more than is projected for FY 07. The actual rates will be set by NYPA. The 4% administrative charge will generate \$68,813, bringing the total of departmental revenues to \$1,789,146.

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.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
DD	General Expenses	\$1,947,605	\$1,946,505	\$1,720,933	\$1,720,933	(\$226,672)	(\$225,572)
DE	Contractual Services	29,298	0	22,373	22,373	(6,925)	22,373
HH	Interfund Charges	47,462	47,462	45,840	45,840	(1,622)	(1,622)
<b>Grand Total</b>		<b>\$2,024,365</b>	<b>\$1,993,967</b>	<b>\$1,789,146</b>	<b>\$1,789,146</b>	<b>(\$235,219)</b>	<b>(\$204,821)</b>

The line for general expenses includes the estimated cost for the electrical power purchased by NCPUA, \$1,720,333, plus \$500 for travel, and \$100 for subscriptions to industry publications. The travel money will be used for NCPUA representatives to meet with other counties participating in the program in order to form an alliance, and possibly to visit Albany in relation to legislative issues affecting the agency. The allocation for inter-fund charges, \$45,840, 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.

The contractual services funding of \$22,373 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.

PARKS, RECREATION AND MUSEUMS

The Department of Parks, Recreation and Museums operates and maintains all County parks, museums, golf courses and other recreational facilities. The parks system is divided into six major operating groups: Northwest, Northeast, Central, Eisenhower Park, Southwest and Southeast. Each region is managed by a park director, eighteen park managers and staff. The staff provides stewardship for the 5,890 acres of land which includes a total of 77 parks, preserves, museums and historic homes.



Entrance to Eisenhower Red Course

**Advertising, Market Based Revenue - \$3,500,000**

The Advertising, Market Based Revenue or Sponsorship and Marketing Initiative spearheaded by Parks is expected to realize \$4.5 million in FY 08. The scope of this project has expanded to include bus shelters within the Planning department and buildings from DPW to name a few. The FY 07 Budget included \$1.0 million, of which to date zero has been attained. The department is targeting contracts for bus shelters and the pouring rights for vending machines but at this time no agreements are in place.

The following is an excerpt from OMB’s 2008 Proposed Budget Summary Book on the program, charts have been provided by Parks:

- **Beverage & Snack Vending & Pouring Rights** – to include granting a beverage bottler or vendor exclusive rights to vend and pour their brands and products on all County property for an extended period of time.

Beverage	\$450,000
Snack	50,000
	<b>\$500,000</b>



- **Out-Of-Home Media** – to grant a signage firm or firms the exclusive right to sell advertising space in out-of home media on designated types of County property;

Municipal Furniture	\$200,000
Kiosks, Banners, Posters	25,000
Trash Receptacles	25,000
Vehicle Fleet Advertising	500,000
Building Interiors	50,000
Spectacular Signage	100,000
	<b>\$900,000</b>

- **County P.R.I.D.E.** – Proud Partner – a sponsorship program that features the Nassau County Parks, Recreation and Museum Department yet leverages all County approved assets to reward local and regional corporations and businesses for participating and giving back to the community;

Partnership Level	Amount (each)
Platinum (1)	\$300,000
Gold (2)	200,000
Silver (4)	100,000
	<b>\$1,100,000</b>

- **Naming Rights** – to earn revenue from municipal naming rights sponsors who want to put their name on prominent public facilities that have broad public exposure;

Mitchel Athletic Complex and Rifle Range	\$300,000
Aquatics Center	300,000
Golf Courses *	500,000
Old Bethpage Village Restoration	100,000
Nickerson Beach	100,000
Museums	100,000
	<b>\$1,400,000</b>
*All seven courses	

- **Banking** – to grant a bank a comprehensive service package for the right to provide the County with a wide range of banking services;

ATM's (20)	\$200,000
Displays etc.	100,000
	<b>\$300,000</b>

- **Made For Sponsorship Packages (Special Events)** – to have the County extend the offer of a pre-priced and packaged collection of advertising and promotional benefits (event specific) to a private corporation or corporations, whereby the corporation pays either in cash or in kind for the rights to assist and participate in County-wide events or programs;

<b>Partnership Level</b>	<b>Tier 1 Event Package (each)</b>	<b>Tier 2 Event Package(each)</b>	<b>Total</b>
Platinum (1)	\$250,000	\$100,000	\$350,000
Gold (2)	125,000	50,000	175,000
Silver (4)	75,000	25,000	100,000
	<b>\$800,000</b>	<b>\$300,000</b>	<b>\$1,100,000</b>

- **Telecommunications/Technology** – to grant qualified companies exclusive product and service rights in their respective areas of expertise and to consolidate like spending throughout County departments;
- **Community Giving** – to use “cause marketing” as a means to raise revenues for community events, charities and causes through an integrated online donation campaign; and
- **Website** – to use the County’s Website to display information that can be commercially useful to all County partnership/sponsorship programs in a manner that promotes commerce.

<b>Categories</b>	<b>Status</b>	<b>Estimated Value</b>
Beverage & Snack	RFP to be issued 11/07	\$500,000
Out-of-Home Media	RFP Issued 9/24/07	900,000
County Pride Program	Begin early 2008	1,100,000
Naming Rights	RFP Issued 9/24/07	1,400,000
Banking	RFP to be issued 10/07	300,000
Made for Sponsorships	In Negotiations	1,100,000
		<b>\$5,300,000</b>

According to Active Network, the vendor contracted by the County to identify marketable assets and develop a strategic marketing plan, “upon acceptance of each sponsorship contract, Active will take the lead in managing and monitoring the relationship between Nassau County and each Marketing Partner to insure that both compliance and mutual satisfaction are achieved.” The authorization of this vendor or any other requires the approval of the Legislative. As stated in the original agreement the County has the option to implement the strategic marketing plan with in-house staff or an alternative vendor. It is unclear at this point which direction the Administration will take on this matter.

**PARKS, RECREATION AND MUSEUMS**

<b>2008 Executive Budget By Control Center</b>						
	<b>10 ADMINISTRATION</b>	<b>20 TECHNICAL SERVICE</b>	<b>30 RECREATION SERVICES</b>	<b>40 MUSEUMS</b>	<b>61 GOLF OPERATIONS</b>	<b>TOTALS</b>
Fines & Forfeits	\$0	\$1,200	\$0	\$0	\$0	\$1,200
Rents & Recoveries	812,800	80,000	90,400	662,079	40,000	1,685,279
Deptmental Revenue	4,535,000	0	9,802,800	819,100	9,914,511	25,071,411
Special Taxes	875,000	0	0	0	0	875,000
<b>Total Revenue</b>	<b>\$6,222,800</b>	<b>\$81,200</b>	<b>\$9,893,200</b>	<b>\$1,481,179</b>	<b>\$9,954,511</b>	<b>\$27,632,890</b>
Salaries	\$2,350,792	\$6,335,488	\$6,310,170	\$3,123,291	\$3,682,324	\$21,802,065
Equipment	10,000	46,500	25,500	18,000	190,000	290,000
General Expenses	79,412	456,000	176,300	163,300	578,000	1,453,012
Contractual Services	943,166	1,558,238	451,068	989,500	369,035	4,311,007
<b>Total Expense</b>	<b>\$3,383,370</b>	<b>\$8,396,226</b>	<b>\$6,963,038</b>	<b>\$4,294,091</b>	<b>\$4,819,359</b>	<b>\$27,856,084</b>
<b>Surplus/Gap</b>	<b>\$2,839,430</b>	<b>(\$8,315,026)</b>	<b>\$2,930,162</b>	<b>(\$2,812,912)</b>	<b>\$5,135,152</b>	<b>(\$223,194)</b>

\* Excluded: Interfund Transfers, State Aid, Property Tax, Debt Service Chargebacks and Inter-Departmental Charges

The chart above shows the fiscal impact of each control center within the Parks Department. It is important to note that some of the expenses charged to Administration are devoted to the operations of other control centers. Several objects have been excluded in order to review the pure operational impact of each control center. As depicted by the chart most of the revenues come from the Golf and Recreation control centers. A bulk of the expenses is attributed to Technical and Recreation services.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	219	248	274	265	265	0%
Salaries	\$17,007,573	\$18,581,023	\$19,616,676	\$20,392,214	\$21,802,065	6.9%
Misc OTPS	1,824,062	3,456,530	1,938,594	2,021,064	1,743,012	-13.8%
Contractual Services	2,426,646	4,292,267	9,597,267	7,860,500	4,311,007	-45.2%
Debt Svc. Chargeb'ks	20,374,988	18,021,280	18,029,187	0	0	*****
Interfund Chgs.	15,657,258	15,261,685	17,289,221	0	0	*****
<b>Total</b>	<b>\$57,290,527</b>	<b>\$59,612,785</b>	<b>\$66,470,946</b>	<b>\$30,273,778</b>	<b>\$27,856,084</b>	<b>-8.0%</b>

The chart above shows actual expenditures for the Parks Department since FY 04, with a projected amount for FY 07. During that time staffing has been increasing, beginning in FY 05 when 11 Public Works employees were moved back to Parks.

In FY 05 miscellaneous OTPS was increased to upgrade equipment for park and golf facilities, increase supplies to upgrade various parks, pools and driving ranges. Contractual services in FY 05 swelled by 77% or \$1.8 million. 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. 3) Personal services, dedicated for museum programs throughout the County. In the same year Parks took over the \$650,000 tourism promotion contract from Planning. The FY 06 total includes the one-time

**PARKS, RECREATION AND MUSEUMS**

\$5.0 million contract for support of the Museum of Fine Arts, and FY 07 includes the one-time \$3.1 million cost for the transfer of parklands and roads to the Town of North Hempstead.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$20,832,083	\$20,392,214	\$21,802,065	\$21,802,065	\$969,982	\$1,409,851
BB	Equipment	352,243	321,432	290,000	290,000	(62,243)	(31,432)
DD	General Expenses	1,875,727	1,699,632	1,453,012	1,453,012	(422,715)	(246,620)
DE	Contractual Services	5,880,500	7,860,500	4,311,007	4,311,007	(1,569,493)	(3,549,493)
	<b>Total OTPS</b>	<b>8,108,470</b>	<b>9,881,564</b>	<b>6,054,019</b>	<b>6,054,019</b>	<b>(2,054,451)</b>	<b>(3,827,545)</b>
	<b>Grand Total</b>	<b>\$28,940,553</b>	<b>\$30,273,778</b>	<b>\$27,856,084</b>	<b>\$27,856,084</b>	<b>(\$1,084,469)</b>	<b>(\$2,417,694)</b>

The proposed FY 08 budget is decreasing by \$1.1 million, which is the net result of a \$2.1 million reduction in OTPS and a \$1.0 increase in salaries. All of the OTPS codes have been decreased, with the largest change, \$1.6 million, occurring in the line for contractual services. This is largely due to the one time payment of \$3.1 million to the Town of North Hempstead for the transfer of parks and roads which occurred in FY 07. OLBR's projection for contractual services includes the entire \$3.1 million to fund the transfer. Currently only \$1.1 million is available in this line. In the 2<sup>nd</sup> Quarter budget hearing, held on August 6, 2007, the Administration stated that 2006 operating surpluses will be used to pay the remaining \$2.0 million. Contractual services are devoted to items such as custodial services, vegetation management, uniform expenses, Long Island Tourism and solid waste disposal. The salary line has been increased by 5.0%, or \$969,982. It provides nearly \$749,000 of additional funding for part-time and seasonal employees for a total of \$5.7 million in FY08. Surpluses are anticipated in FY 07 in the equipment and general expenses lines due to a County imposed budget reduction.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
Control Center		Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs FY 07	Variance Exec. vs Request
10	Adminstration	\$3,628,009	\$3,383,370	\$3,383,370	(\$244,639)	\$0
20	Technical Service	8,368,944	8,396,226	8,396,226	27,282	0
30	Recreation Services	7,446,801	6,963,038	6,963,038	(483,763)	0
40	Museums	4,771,327	4,294,091	4,294,091	(477,236)	0
61	Golf Operations	4,725,472	4,819,359	4,819,359	93,887	0
	<b>Total</b>	<b>\$28,940,553</b>	<b>\$27,856,084</b>	<b>\$27,856,084</b>	<b>(\$1,084,469)</b>	<b>\$0</b>

**PARKS, RECREATION AND MUSEUMS**

The chart above shows the Parks budget by control center. The following control centers bear the brunt of the aggregate OTPS cut of 4% or \$1.1 million: Museums, Recreation Services and Administration. The \$1.1 million contractual funding for the North Hempstead transfer was budgeted in Recreation Services. The removal of that expense from the FY 08 budget, partially offset by an increase of \$666,656 in the salary line, accounts for the control center decrease. The reduction of \$477,236 in the Museums control center is primarily attributed to cuts in salary of \$302,408 and contractual services of \$140,500. The salary reduction reflects the removal of most of the vacant positions.

<b>Parks, Recreation And Museums Staffing Analysis</b>						
	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	36	37	36	36	0	(1)
20 Technical Service	105	102	103	103	(2)	1
30 Recreation Services	48	48	48	48	0	0
40 Museums	41	31	32	32	(9)	1
61 Golf Operations	50	47	46	46	(4)	(1)
<b>Total Full-time</b>	<b><u>280</u></b>	<b><u>265</u></b>	<b><u>265</u></b>	<b><u>265</u></b>	<b><u>(15)</u></b>	<b><u>0</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	18	15	16	16	(2)	1
20 Technical Service	53	40	57	57	4	17
30 Recreation Services	498	406	524	524	26	118
40 Museums	67	83	74	74	7	(9)
61 Golf Operations	122	99	120	120	(2)	21
<b>Total Part-time and Seasonal</b>	<b><u>758</u></b>	<b><u>643</u></b>	<b><u>791</u></b>	<b><u>791</u></b>	<b><u>33</u></b>	<b><u>148</u></b>

The proposed budget authorizes 265 full time positions, a total which is equal to current staffing levels. This represents a decrease of fifteen positions from the FY 07 Adopted Budget. Two positions were taken away from the Technical Service staff, nine from Museums and four from Golf Operations. The Technical Service control center net decline of two positions is attributed to the removal of a Building Manager I, Equipment Operator I, Groundskeeper I, four Laborer I's, a Tree Trimmer I and the addition of six Maintenance Mechanics. The decrease in the Museums control center is due to the removal of an Exhibits Technician I, Maintenance Mechanic Trainer, Museum Attendant, four Museum Curators and two Museum Supervisors. Within the Golf Operations control center the following removals took place: two Golf Course Attendant I's, Golf Course Attendant II, two Golf Course Manager I's and Golf Course Manager II, these were offset by the addition of a Golf Professional and Maintenance Mechanic I. Part-time and seasonal positions were increased by 33, to 791. The dollars associated with seasonal help is

increasing by \$530,475 to \$3.6 million. Part-time dollars are increasing by \$218,500. These increases are partially offset by a reduction of \$470,001 in full time staff.

<b>Historical Revenue</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Fines & Forfeits	\$100	\$100	\$500	\$1,200	\$1,200	0.0%
Investment Income	45,854	430,640	156,179	7,682	0	-100.0%
Rents & Recoveries	1,119,217	1,209,939	1,107,866	1,557,000	1,685,279	8.2%
Department Revenues	14,097,539	15,079,916	15,823,099	17,664,320	25,071,411	41.9%
Interfund Transfer	7,623,296	2,904,814	7,076,838	0	0	*****
Special Tax	195,084	1,091,680	1,063,514	1,125,000	875,000	-22.2%
Property Tax	43,577,327	48,293,581	51,167,929	0	0	*****
<b>Total</b>	<b>\$66,658,416</b>	<b>\$69,010,670</b>	<b>\$76,395,925</b>	<b>\$20,355,202</b>	<b>\$27,632,890</b>	<b>35.8%</b>

The chart above shows revenues realized by the Parks Department since FY 04, with a projected amount for FY 07. FY 05 marked the Phase I completion of the Administration’s Parks Comeback Campaign. State legislation in FY 05 increased the allocation of Hotel/Motel tax to the Parks department, which is booked as Special Tax. The increased allocation was dedicated to providing assistance to museums and Old Bethpage Village for new exhibit and new program development expenses. The department also received the portion originally distributed to the Planning department. The consolidation of the Parks Department into the General Fund accounts for the absence of property tax, investment income, and interfund transfer revenues in FY 07 and FY 08. Department revenues have been rising steadily during the period detailed. The projected growth for this line in FY 07 is expected to be 11.6% which is greater than the three year average of 5%. The FY 08 Executive Budget assumes a 41.9% growth over FY 07 projection in departmental revenues largely due to the Advertising Marketing Initiative.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
AA Fund Balance	\$1,075,000	\$3,075,000	\$0	\$0	(\$1,075,000)	(\$3,075,000)
BD Fines & Forfeits	1,200	1,200	1,200	1,200	0	0
BE Investment Income	0	7,682	0	0	0	(7,682)
BF Rents & Recoveries	1,557,000	1,557,000	1,685,279	1,685,279	128,279	128,279
BH Department Revenues	20,615,861	17,664,320	25,071,411	25,071,411	4,455,550	7,407,091
TX Special Tax	875,000	1,125,000	875,000	875,000	0	(250,000)
<b>Grand Total</b>	<b>\$24,124,061</b>	<b>\$23,430,202</b>	<b>\$27,632,890</b>	<b>\$27,632,890</b>	<b>\$3,508,829</b>	<b>\$4,202,688</b>

The FY 08 revenue budget is increasing by 14.5% or \$3.5 million. The FY 08 rents & recoveries line is increasing by \$128,279. This is due higher revenues associated with the renting of County property and

Landmark rental units. The FY 08 Executive Budget assumes a 21.6% increase in departmental revenues, from \$20.6 million in FY 07 to \$25.1 million. This budget includes fee increases which have a budgeted impact of \$1.1 million. OLBR projects the use of \$3,075,000 in fund balance in order to execute the transfer of parks to the Town of North Hempstead. A gap of \$3.0 million or 14.3% is expected in departmental revenues for FY 07. While above average growth seems to be within reach, realization of the budgeted targets is unlikely. This is partly due to \$1.1 million in fee increases that were budgeted but not approved by the Legislature. Year-to-date the fee increases would have generated approximately \$840,000. The remaining variance is due to slower than anticipated growth. The special tax line, which records Hotel/Motel tax collections, is expected to exceed budget by \$250,000.

The tourism industry in Nassau County has been recording robust growth in 2007. As of August 2007 average room rental rates have increased to \$138.90 from \$133.92 in August 2006. That represents a 3.7% annual growth rate. Although economic theory posits an inverse relationship between price and quantity, heightened average room rental rates in Nassau County have occurred in tandem with higher occupancy rates. From August 2006 to August 2007, Nassau County hotels and motels recorded an 8.7% increase in occupancy rates. Additionally, throughout 2007, occupancy rates have averaged 75%. In 2006, occupancy rates averaged 72.6% through August.

The robust growth seen in Nassau County's tourism industry will help stimulate the overall economy of the County. This additional catalyst is essential, especially since job, employment, consumer confidence and home sales are expected to experience slow to negative annual percentage growth rates. The tourism growth will positively impact the County's hotel/motel tax collections.



**Eisenhower Veterans Memorial**

**PARKS, RECREATION AND MUSEUMS**

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 06 Actual</b>	<b>FY 07 Budget</b>	<b>FY 07 Projected</b>	<b>FY 08 Proposed</b>
Swimming Pools *	\$1,772,489	\$1,893,000	1,700,000	\$1,963,000
Ike Greens Fees White Course	1,357,398	1,835,000	1,330,477	1,835,000
Ike Greens Fees Blue Course	1,175,559	1,627,500	1,217,961	1,627,500
Greens Fees	1,363,462	1,475,000	1,473,427	1,524,011
Concessions	1,155,829	1,430,000	1,200,843	1,487,000
Ike Greens Fees Red Course	1,022,024	1,230,937	1,109,433	1,435,500
Cabana Rentals *	1,123,517	1,143,000	1,132,141	1,165,000
Driving Range Fees	979,462	1,040,000	1,122,046	1,180,000
Advertising Revenue	0	1,000,000	1,000,000	4,500,000
Golf Cart Fees	839,058	981,214	954,000	1,338,000
Leisure Pass Fee *	398,792	896,000	392,642	743,800
Ice Rinks *	546,148	765,000	640,000	575,000
Miniature Golf	298,993	725,000	298,627	415,000
Athletic Field Fees / Charges *	367,682	546,200	394,156	712,300
Old Bethage Historical Village	422,510	475,000	380,000	575,000
Camping Fees *	329,818	431,500	350,865	529,100
Swimming Programs	216,741	291,000	298,626	347,000
Special Use Permits	85,488	265,050	160,000	145,800
Marina Wantagh *	265,031	265,000	271,000	432,000
Golf Permits	122,445	250,000	300,350	225,000
Special Sports Program	270,477	237,500	159,000	347,500
Beach Parking	204,871	230,000	249,000	230,000
Golf Reservation Fees *	255,063	220,000	329,000	271,000
Picnic Reservation Permits *	144,756	217,560	150,817	209,450
Summer Day Camps	156,248	164,000	174,000	246,100
Batting Cage Fees	90,787	125,000	73,550	100,000
Launching Ramps	56,048	100,300	61,000	97,500
Tennis Courts	34,397	90,750	36,111	117,050
Museum Of National History	87,458	81,600	75,700	98,500
Ice Skate Rental	47,901	78,000	64,500	81,000
Commercial Parking *	11,560	69,200	4,000	42,000
Room Rentals	51,920	68,200	45,089	61,300
Misc Receipts	153,762	65,400	39,153	27,500
Sands Point Preserve	103,087	55,000	126,218	55,000
Reimb Expenses Igt	51,712	53,500	53,500	53,500
Caddy Cart Fees	58,372	51,000	77,000	88,000
Redeemable Certificates	49,947	51,000	65,000	85,000
Alcohol Permits	25,515	26,250	29,060	29,100
Rent Of Roller Skates	22,827	22,000	10,000	0
Rental Of Equipment	17,325	20,000	19,600	20,000
Film & Advert Activities	15,900	20,000	29,000	20,000
Lifestyle Programs	5,182	3,000	21,163	20,000
Roller Skate Admissn	1,742	1,000	341	1,200
Historical Museum	3,288	200	2,750	6,000
Ice Skate Locker Fees	0	0	437	1,000
Museum Passport	5,375	0	5,375	6,700
Hemp Harbor Parking	54,137	0	36,362	0
Bailey-Arbortm Fees	0	0	0	0
Welwyn Revenue	1,000	0	1,000	2,000
	<b>\$15,823,099</b>	<b>\$20,615,861</b>	<b>\$17,664,320</b>	<b>\$25,071,411</b>

\*Revenue sources budgeted for FY 07 and FY 08 fee increase



Fee adjustments represent only a small percentage of the total increase in departmental revenues for the FY 08 Executive Budget. Excluding dollars associated with the Advertising Revenue program, fee increases account for 4.0% of the growth seen in the amount budgeted in FY 08. This is a conservative estimate but assumes the FY 07 base was reasonable. The FY 08 budget assumes an 18% rate of growth for these fees over the 2007 level. While initiatives associated with the revenue enhancement program may make up a portion of this expansion, such a high level of growth is still at risk. Some of these fees are dependent upon ideal recreation weather.

The largest contributors to the FY 08 Executive departmental revenue budget are Advertising Revenue, Swimming Pools, Green Fees White Course, Green Fees Blue Course, Green Fees (Executive courses), Concessions, Green Fees Red Course, Golf Cart Fees, Driving Range Fees, Cabana Rentals and Leisure Pass Fees. These eleven items make up 75% of the proposed budget and are expected to grow by 32% from the FY 08 Adopted Budget. Several factors are expected to contribute to the 36% or \$356,786 increase in golf cart revenue. The first stimulus is the pace of play program which aims at speeding up the amount of time needed to complete a round of golf. This is being done by requiring the weekend use of golf carts on the Red course. The second spur is expected from the increase in non-resident golfer volume. The increase is anticipated due to lower cart fees contingent upon legislative approval. According to the study conducted by the National Golf Foundation "...the exclusionary pricing policy that effectively eliminates non-residents from playing at the facilities is good for Nassau County golfers as they have less competition for tee times. However, one could easily argue that it is to the detriment of Nassau County taxpayers as it is eliminating a very valuable resource that could generate a lot more revenue for the golf operation and thus relieve some of the tax burden."<sup>1</sup> The Parks Department has stated that these consumers represent only 5% of their business. According to standards set by the National Golf Foundation (NGF) this is considerably low for a municipality.

The growth expected within these revenue streams by the department is based on a shift in perspective and strategy. The departments focus is on maximizing usage and efficiencies of Parks assets. For example, a better return will be realized from charging larger athletic fees. Often these fields are rented for tournaments. Parks is targeting partnerships with these local organizers to attain consistent long-term revenue. A lottery system currently in place for several recreational services such as swimming lessons, cabana rental and marina slips indicates the large demand for these services.

The department has several programs on the horizon aimed at increasing Park visibility, usage and enhance revenue stream throughout the year. During the upcoming Long Island Fair held at Old Bethpage Village a carnival will be incorporated into the annual event. Extended hours will be available specifically for this new attraction.

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<sup>1</sup> NGF study on Operational Review and Recommendations For Nassau County Municipal Golf Courses

August YTD Golf Rounds				
Course	2005	2006	2007	2006 vs. 2007 % Δ
Bay Golf	N/A	15,367	17,654	15%
Blue Course	38,097	41,883	42,303	1%
Cantiague Golf	N/A	N/A	23,569	*****
Morley Golf	N/A	16,030	17,386	8%
N. Woodmere Golf	N/A	21,698	23,493	8%
Red Course	22,497	24,630	23,500	-5%
White Course	33,789	38,081	38,704	2%
<b>Grand Total*</b>	<b>94,383</b>	<b>157,689</b>	<b>163,040</b>	<b>3%</b>

\* Excludes Cantiague for comparison purposes

Total golf rounds are up by 3% in comparison to August 2006 year to date activity. According to the NGF total golf rounds in the Northeast were up by 2.3% at the end of July.<sup>2</sup> On average 67% of all golf rounds occur by the end of August. Golf rounds in comparison to previous years are on par. The Executive courses (Bay Golf, Morley, and North Woodmere) are experiencing more growth than the Eisenhower facilities. The Red is the only course which posts a decline in the number of rounds. The months of March and April recorded large declines in rounds. The department has cited weather, specifically rainfall, as the cause of the decline in April.



Eisenhower course water hole

<sup>2</sup> Rounds Played Recovery Continues in July, <http://www.ngf.org/cgi/whonews.asp?storyid=202>

## 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 begun to work in partnership with the Traffic and Parking Violations Agency (TVPA) to develop workshops for County judicial officials in order to better address the ticket dismissal rate. The Office currently believes that significant amount 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.

In FY 07, the Office created a Disability Leadership Training Institute. The Institute held three forums for young leaders with disabilities at colleges and universities during the spring of 2007. There a plans to have two more forums soon. Based on current research by the Office, it is the only county initiative of its kind in the country and instills in youth throughout the area the principles of successful and appropriate advocacy, empowerment, team-work, collaboration and partnership methodologies and how to communicate effectively with government representatives, business leaders, campus officials and others. Peer activities will eventually be developed for these colleges and university students to meet with high school and elementary school youngsters with disabilities.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	6	7	7	7	7	0.0%
Salaries	\$273,609	\$322,525	\$355,777	\$381,217	\$392,226	2.9%
Misc OTPS	5,703	6,790	13,820	17,576	34,496	96.3%
Contractual Services	25,500	25,500	25,500	35,000	25,500	-27.1%
<b>Total</b>	<b>\$304,812</b>	<b>\$354,815</b>	<b>\$395,097</b>	<b>\$433,793</b>	<b>\$452,222</b>	<b>4.2%</b>

Historically, expenditures have grown as a result of a gradual rises in salaries, due to annual COLAs, and increases in OTPS. Contractual services has remained flat with a slight bump in the projected 2007. Headcount has remained consistent since 2005.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$354,326	\$381,217	\$392,226	\$392,226	\$37,900	\$11,009
BB	Equipment	1,811	1,811	1,800	1,800	(11)	(11)
DD	General Expenses	15,765	15,765	32,696	32,696	16,931	16,931
DE	Contractual Services	35,000	25,500	25,500	25,500	(9,500)	0
	<b>Total OTPS</b>	<b>52,576</b>	<b>43,076</b>	<b>59,996</b>	<b>59,996</b>	<b>7,420</b>	<b>16,920</b>
HF	Inter-Depart Charges	143,761	143,761	302,589	302,589	158,828	158,828
	<b>Grand Total</b>	<b>\$550,663</b>	<b>\$568,054</b>	<b>\$754,811</b>	<b>\$754,811</b>	<b>\$204,148</b>	<b>\$186,757</b>

The FY 08 salaries budget for the Office for the Physically Challenged has been increased by \$11,009 or 2.1% over the FY 07 projected. The increase is due to salary growth for the current staff.

The OTPS FY 08 proposed budget includes a slight increase, \$7,420, when compared to the current year’s budget. The major component of the OTPS FY 08 proposed budget is general services at \$32,696 followed by \$25,500 for contractual services, which is a \$9,500 reduction when compared to the FY 07 budget. In 2007, \$9,500 was to be utilized for production of a training video on sensitivity and awareness pertaining to an array of handicapped parking issues. The project has been delayed and will not be part of the FY 08 budget. The \$9,500 was moved into general expenses to be used for educational and promotional purchases. The contractual services account is used to perform sensitivity and awareness seminars for Nassau County school districts

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 the Office for the Physically Challenged. The largest components of the department’s interdepartmental charges are for building occupancy at a cost of \$98,540, an increase of \$54,596, information technology resources at \$30,812 and fire commission charges at \$102,270.

<b>Office for the Physically Challenged Staffing Analysis</b>						
	<b>FY 07 Adopted</b>	<b>Sept-07 Actual</b>	<b>FY 08 Request</b>	<b>FY 08 Executive</b>	<b>Exec. vs 07 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	7	7	7	7	0	0
Part-time and Seasonal	0	1	1	1	1	0

The department plans to maintain the current staffing levels.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fines & Forfeits	\$123,132	\$47,377	\$43,087	\$45,000	\$50,000	11.1%
Rents & Recoveries	250	1,250	1,250	0	0	*****
Department Revenues	0	0	15	0	0	*****
<b>Total</b>	<b>\$123,382</b>	<b>\$48,627</b>	<b>\$44,352</b>	<b>\$45,000</b>	<b>\$50,000</b>	<b>11.1%</b>

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted</b>	<b>OLBR</b>	<b>FY 08</b>	<b>FY 08</b>	<b>Variance</b>	<b>Variance</b>
		<b>FY 07</b>	<b>FY 07</b>	<b>Dept.</b>	<b>Exec.</b>	<b>Exec. vs</b>	<b>Exec. vs</b>
		<b>Budget</b>	<b>Projection</b>	<b>Request</b>	<b>Budget</b>	<b>Adopted 07</b>	<b>FY 07 Proj.</b>
BD	Fines and Forfeits	\$50,000	\$45,000	\$50,000	\$50,000	\$0	\$5,000
BJ	Interdepartmental Revenues	501,549	501,549	666,905	666,905	165,356	165,356
<b>Total</b>		<b>\$551,549</b>	<b>\$546,549</b>	<b>\$716,905</b>	<b>\$716,905</b>	<b>\$165,356</b>	<b>\$170,356</b>

Pursuant to State law, the department receives half of the handicapped parking surcharge with the other half going to the Traffic Safety Board which will now be part of Public Works. The revenue is to be used on handicapped parking related issues such as education and enforcement. The revenue budget for fines and forfeits in FY 08 will remain flat with that of FY 07. 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.

**Out-Year Initiatives**

<b>NAME</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Administrative Fee for Lost Permits	\$25,000	\$25,000	\$25,000

Over the years, an increasing number of New York State handicapped parking permits have been reported to the Office Of Physically Challenged as having been lost. There is evidence to suggest that many times, these official documents are handed over to unauthorized individuals for use or are misplaced. The Office of Physically Challenged (OPC) suggests requesting State authorization for a local \$15.00 Administrative Replacement Fee to be utilized for public education purposes relating to accessibility and handicapped parking.

This measure would require New York State authorization since the handicapped parking permit is produced by the State DMV and administered locally under DMV guidelines. Local issuing agencies

(such as OPC) would require the assistance of other County agencies, particularly OMB and the Comptroller's office, in designing a methodology to receive, process and record such fees.

The Administration has based their estimates for the outyears on historical trends. In 2006, 1,298 permits were reported lost to OPC which, when calculated at \$15.00 per replacement would have generated \$20,970. It would be reasonable to assume that the OPC would achieve the outyear estimates if this initiative did not require State authorization. Since this item requires State approval it has to be considered a risk.

**PLANNING**

The Planning department is divided in two parts, the Comprehensive Planning division and the Transportation division. The Comprehensive Planning division is responsible for subdivision applications. The Transportation division is charged by the Federal Transit Administration to exercise oversight over MTA Long Island Bus. Approximately 93.6%, or \$47.4 million of the 2008 proposed budget of \$50.6 million, less interfund charges, is allocated to subsidize mass transportation. The preliminary 2008 budget for Long Island Bus indicates that including subsidies from Nassau County, MTA and the State, there is an operating deficit of \$13.7 million.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	17	18	21	22	24	9.1%
Salaries	\$1,296,388	\$1,534,105	\$1,630,947	\$1,648,388	\$2,013,564	22.2%
Misc OTPS	115,989	60,075	57,708	45,493	72,147	58.6%
Contractual Services	2,896,833	984,000	1,238,495	502,500	1,090,800	117.1%
Mass Transportation	41,214,474	45,172,998	45,902,617	47,226,304	47,370,357	0.3%
Pt Lookout/Lido	0	195,000	75,000	75,000	75,000	0.0%
<b>Total</b>	<b>\$45,523,684</b>	<b>\$47,946,178</b>	<b>\$48,904,767</b>	<b>\$49,497,685</b>	<b>\$50,621,868</b>	<b>2.3%</b>

The chart above details the historical expenditures for the Planning Department from 2004 through the proposed 2008 budgeted amount. Over the past five years, Planning Department expenditures have increased \$5.1 million or 11.2%. The greatest five year percentage growth has been in salaries. Planning Department headcount has grown by 7 or 41.2% over the past five years. The salary line has grown 55.3% over the same time frame to pay for the new hires and provide cost of living adjustments for all CSEA workers. Trailing the salary line in terms of five year growth are the mass transportation expenditures. Within that category, the LIRR station maintenance payment has experienced the greatest increase. That amount is contractually set to increase each year by the CPI.

**EXPENSE BUDGET  
BY OBJECT CLASS**

<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$1,886,354	\$1,648,388	\$2,013,564	\$2,013,564	\$127,210	\$365,176
BB	Equipment	143	11,493	0	0	(143)	(11,493)
DD	General Expenses	94,575	34,000	72,147	72,147	(22,428)	38,147
DE	Contractual Services	502,500	502,500	1,090,800	1,090,800	588,300	588,300
MM	Mass Transportation	47,226,304	47,226,304	47,370,357	47,370,357	144,053	144,053
6H	Pt Lookout/LIDO	75,000	75,000	75,000	75,000	0	0
	<b>Total OTPS</b>	<b>47,898,522</b>	<b>47,849,297</b>	<b>48,608,304</b>	<b>48,608,304</b>	<b>709,782</b>	<b>759,007</b>
HF	Inter-Depart Charges	0	0	278,357	278,357	278,357	278,357
	<b>Grand Total</b>	<b>\$49,784,876</b>	<b>\$49,497,685</b>	<b>\$50,900,225</b>	<b>\$50,900,225</b>	<b>\$1,115,349</b>	<b>\$1,402,540</b>

The chart above details the Planning Department expense budget by object class. Total expenses for 2008 are increasing 2.2% from the 2007 Adopted Budget and 2.8% from the 2007 OLBR projection. The greatest increase is in the contractual services category. This line is increasing 117.1% from both the 2007 adopted and projection. The increase will be used to fund studies to analyze projects that support and develop downtown areas. The chart on the next page provides an itemization of the projects which the Planning Department is expecting to fund in 2008. The projects which support and develop downtown areas are listed as Long Term Visioning. The Department did not receive enough funding to complete the studies which it listed. A deficit of \$272,200 of contractual services funding currently exists. The Department has not determined how it will remedy this deficit.



<b>Planning Department Contractual Services Spending Itemization</b>			<b>2008</b>
<b>Contractor</b>	<b>Description</b>	<b>Department Request</b>	<b>Proposed Budget</b>
Chelsea Reporting	Stenographer	30,000	
Upwp Local Match	Cash Match For Upwp Projects	100,000	
		-	
Soil And Water District	Soil & Water Conservation	133,000	
		-	
Long Island Regional Planning*	Bi County Planning Process	400,000	
		-	
To Be Determined	Long Term Visioning	400,000	
		-	
To Be Determined	Master Plan	300,000	
		<b>Total</b>	<b>1,090,800</b>
		<b>DE Funding Deficit</b>	<b>(272,200)</b>

Following the contractual services line in terms of expense growth is the salary line. Salaries for the Planning Department are budgeted to increase 6.7% from the 2007 budget and 22.2% from the 2007 projection. The increased salary line should enable the department to fill its two vacant full-time positions. However, the amount budgeted for termination pay is \$4,029 less than the existing liability.

As mentioned previously, the increase in the mass transportation funding will be used to support the CPI adjustment to the LIRR station maintenance contract.

New to the 2008 budget are inter-departmental charges. The Planning Department will be allocated the costs incurred by other departments on its behalf for printing and graphics, postage, information technology, purchasing, fleet maintenance, building occupancy, gasoline and telecommunication costs. The charges are included in the budget so that it may receive reimbursement from the Grants fund.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 07 Budget</b>	<b>Departmental Request FY 08</b>	<b>Executive FY 08</b>	<b>Variance Exec. vs FY 07</b>	<b>Variance Exec. vs Request</b>	
10 Planning	\$2,463,812	\$3,444,868	\$3,444,868	\$981,056	\$0	
20 Bus Shelter Main- Cleaning	4,760	0	0	(4,760)	0	
35 Mass Transportation	47,316,304	47,455,357	47,455,357	139,053	0	
<b>Total</b>	<b>\$49,784,876</b>	<b>\$50,900,225</b>	<b>\$50,900,225</b>	<b>\$1,115,349</b>	<b>\$0</b>	

The department’s expense budget, delineated by control center, appears in the chart on the prior page. The Planning Department encompasses three separate control centers. The greatest growth is seen in the Planning control center which is budgeted to record a 39.8% increase. The increase is a function of the previously detailed greater salary, contractual services and inter-departmental charges.

The Mass Transportation control center is budgeted to experience a 0.3% increase in 2008. The chart below contains an itemization of the Mass Transportation control center. Only the LIRR Station Maintenance subsidy is budgeted to increase. As mentioned previously, the increase is contractually specified.

<b>Mass Transportation Control Center 35</b>				
		<b>FY 07 Budget</b>	<b>Executive FY 08</b>	<b>Difference</b>
<b>Mass Transportation (MM)</b>				
630	Metropolitan Suburban Bus Authority	\$7,800,000	\$7,500,000	(\$300,000)
631	LIRR Station Maintenance	24,842,512	25,286,565	444,053
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	10,000	(5,000)
<b>Other Expenses (OO)</b>				
6H	Lido Beach Bus Rte	75,000	75,000	0
<b>Total Mass Transportation CC 35</b>		<b>\$47,316,304</b>	<b>\$47,455,357</b>	<b>\$139,053</b>

The Metropolitan Suburban Bus Authority subsidy and the insurance premium lines are budgeted to decrease from their 2007 budgeted amount. All other expense items are being frozen at their 2007 budgeted amount.

The Metropolitan Suburban Bus Authority and Handicapped Transportation System payments are the two subsidy payments made from Nassau County to Long Island Bus. The 2008 budgeted amounts are in line with what Long Island Bus was anticipating, however they are not sufficient to cover the operating expenses of Long Island Bus. The chart on the following page depicts Long Island Bus’s FY 07 forecast and FY 07’s budget submission as of July 2007. The chart shows, that even with the \$10.5 million Nassau County subsidy payments, Long Island Bus will experience a \$13.7 million operating deficit in 2008.

<b>LONG ISLAND BUS OPERATING BUDGET (Figures in Millions)</b>				
<b>Name</b>	<b>Mid-Year 2007 Forecast</b>	<b>Preliminary Budget, July 2008</b>	<b>Variance between 2008 and 2007</b>	<b>Percentage Change between 2008 and 2007</b>
Opening Cash	\$0.000	\$0.000	\$0.000	0.0%
<b>Receipts</b>				
Farebox Revenue	40.358	40.505	0.147	0.4%
Other Operating Revenue	2.497	2.532	0.035	1.4%
Capital and Other Reimbursements	6.145	6.386	0.241	3.9%
<b>Total Receipts</b>	<b>49.000</b>	<b>49.423</b>	<b>0.423</b>	<b>0.9%</b>
<b>Expenses</b>				
Salaries	69.496	70.569	1.073	1.5%
Fringe	26.632	28.404	1.772	6.7%
Fuel for Buses and Trains	10.996	11.645	0.649	5.9%
Contracts	11.483	11.601	0.118	1.0%
Other Non-Labor	17.971	11.902	(6.069)	-33.8%
<b>Total Expenses</b>	<b>136.578</b>	<b>134.121</b>	<b>(2.457)</b>	<b>-1.8%</b>
<b>Net Cash Deficit</b>	<b>(87.578)</b>	<b>(84.698)</b>	<b>2.880</b>	<b>-3.3%</b>
<b>Subsidies</b>				
MTA Subsidy	20.300	14.000	(6.300)	-31.0%
State Subsidy	47.900	46.500	(1.400)	-2.9%
Nassau County Subsidy	10.500	10.500	0.000	0.0%
<b>Total Subsidies</b>	<b>78.700</b>	<b>71.000</b>	<b>(7.700)</b>	<b>-9.8%</b>
<b>Net Surplus (Deficit)</b>	<b>(\$8.878)</b>	<b>(\$13.698)</b>	<b>(\$4.820)</b>	<b>54.3%</b>

The preliminary 2008 Long Island Bus expense budget is \$134.1 million. That represents a \$2.5 million or 1.8% decrease from its 2007 forecast. Long Island Bus is anticipating \$49.4 million in operating revenues and \$134.1 million in operating expenses. All totaled, netting out the anticipated subsidy payments, the agency is projecting a net cash deficit of \$13.7 million in 2008. The \$10.5 million Nassau County subsidy, although beyond mandated amounts set by the State for transportation subsidies and in line with Long Island Bus forecast, falls \$13.7 million short of closing the projected operating gap.

The chart on the next page details Nassau County’s Long Island Bus subsidy payment as a percentage of total Long Island Bus revenues and expenses. Over the past six years, Nassau County’s subsidy payments to Long Island Bus on average have constituted 9.2% of total revenues and covered on average 8.4% of total expenses.

<b>Nassau County Funding of LI Bus</b>			
	<b>LI Bus Total Revenues &amp; Subsidies</b>	<b>Nassau Subsidy</b>	<b>Nassau / LI Bus Revenues</b>
<b>2002</b>	84,365,000	10,310,980	12.2%
<b>2003</b>	93,655,000	8,311,000	8.9%
<b>2004</b>	96,179,000	5,961,000	6.2%
<b>2005</b>	95,532,000	10,500,000	11.0%
<b>2006</b>	115,888,000	10,500,000	9.1%
<b>2007</b>	127,700,000	10,500,000	8.2%
<b>2008</b>	120,423,000	10,500,000	8.7%

	<b>LI Bus Total Expenses</b>	<b>Nassau Subsidy</b>	<b>Nassau / LI Bus Revenues</b>
<b>2002</b>	91,601,000	10,310,980	11.3%
<b>2003</b>	98,860,000	8,311,000	8.4%
<b>2004</b>	104,444,000	5,961,000	5.7%
<b>2005</b>	113,833,000	10,500,000	9.2%
<b>2006</b>	119,608,000	10,500,000	8.8%
<b>2007</b>	136,578,000	10,500,000	7.7%
<b>2008</b>	134,121,000	10,500,000	7.8%

The proposed 2008 budgeted headcount for the Planning Department is frozen at its adopted 2007 level. However, since the Department's current actual is 22, the budget includes funding for two vacant positions. The titles for the two vacant positions are Planner II and Deputy Commissioner of Planning.

<b>Planning Staffing Analysis</b>						
	<b>FY 07 Adopted</b>	<b>Sept-07 Actual</b>	<b>FY 08 Request</b>	<b>FY 08 Executive</b>	<b>Exec. vs 07 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	24	22	24	24	0	2
Part-time and Seasonal	14	11	10	10	(4)	(1)

An historical snapshot of the Planning Department reveals that revenues have steadily declined since 2004. That was the final year in which special tax revenue from the Hotel/Motel tax was budgeted in the Planning department. Also contributing to the heightened 2004 revenues was the increased sales of County GIS products. Over the past five years, Planning Department revenues have fallen 57.6%. The departmental revenues budget allocation reflects the proposed application and filing fee collections for the subdivision of land.

Historical Revenue						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Rents & Recoveries	153,296	62,698	0	0	0	*****
Fines & Forfeits	0	0	0	0	10,000	*****
Department Revenues	1,318,797	1,433,294	1,425,647	1,770,974	1,557,875	-12.0%
Interdepartmental Rev.	962,705	168,291	0	0	0	*****
Interfund Charges	0	0	0	12,000	33,998	183.3%
Special Taxes	621,952	0	0	0	0	*****
Federal Aid	1,145,754	395,812	547,947	37,159	191,814	416.2%
Service Fees	25,370	9,573	20	0	0	*****
<b>Total</b>	<b>\$4,227,874</b>	<b>\$2,069,668</b>	<b>\$1,973,614</b>	<b>\$1,820,133</b>	<b>\$1,793,687</b>	<b>-1.5%</b>

Compared to the adopted 2007, Planning Department revenues are increasing by 17.3%, or \$264,373 in 2008. The increase is largely a function of greater departmental revenues. The budgeted increase in departmental revenues is in line with OLBR's 2007 projection. The department receives interfund charges revenue from the Grant fund for reimbursable overhead costs.

REVENUE BUDGET						
Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.
BD Fines & Forfeits	\$30,000	\$0	\$10,000	\$10,000	(\$20,000)	\$10,000
BH Department Revenues	1,295,500	1,770,974	1,557,875	1,557,875	262,375	(213,099)
BW Interfund Charges	12,000	12,000	33,998	33,998	21,998	21,998
FA Federal Aid	191,814	37,159	191,814	191,814	0	154,655
<b>Total</b>	<b>\$1,529,314</b>	<b>\$1,820,133</b>	<b>\$1,793,687</b>	<b>\$1,793,687</b>	<b>\$264,373</b>	<b>(\$26,446)</b>

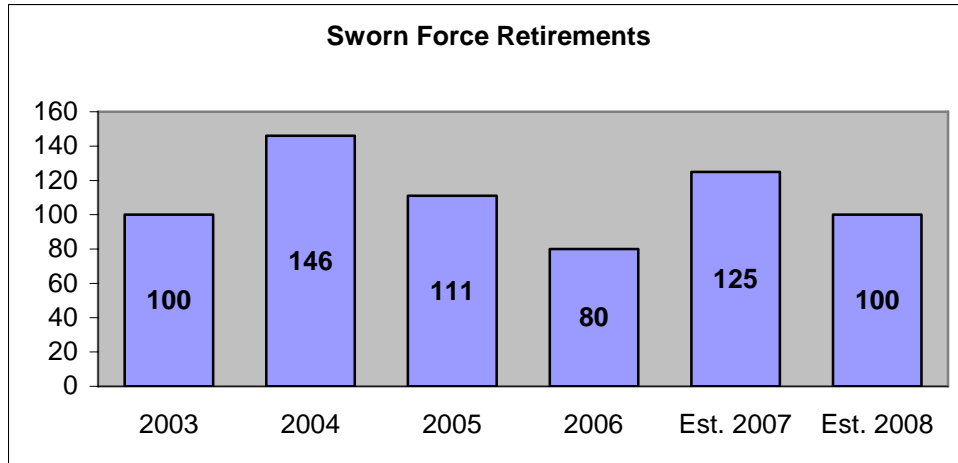
NASSAU COUNTY POLICE DEPARTMENT

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The year 2007 was an eventful one for the Police Department. In July, Lawrence Mulvey was sworn in as new commissioner which was immediately followed by the graduation of 112 police recruits, 91 of whom stepped into the ranks of the Nassau County Police Department. Also in July, the Patrolman's Benevolent Association (PBA) received an arbitration award that was hailed by the Administration as "a radical break from the business-as-usual labor agreements and presents a historic opportunity for Long Island" in reference to the union concessions and change in salary increases when compared to prior contracts. The detective's union, the Detectives Association Inc (DAI), which has been working without a contract since January 2007, is currently in arbitration and the superior officer's union, the Superior Officers Association (SOA), whose contract expires in December 2007, is also in contract negotiations. Additionally, the Administration is planning to hire about 100 new recruits in November of this year. Combined, these events should serve as a positive impact for the future of the department. The union contracts provide a framework from which the Administration could manage sworn personnel more efficiently, the new police officers will add new energy to a department headed by a leader committed to continue to manage a more streamlined department while attempting to reduce operating costs and keeping morale high.

Since July 2004 the department has graduated 544 new police officers that have joined the ranks of the Nassau County Police Department. Sworn headcount had been on the decline since 2002, overtime was on the rise and the overall staff was getting closer to retirement. The Administration's plan to reduce personnel was succeeding but at the cost of high overtime expense and increasingly low morale. With the additional staffing levels, overtime had become more manageable in 2006. Actual overtime in 2006 was \$43.8 million, \$3.6 million less than budget. The surplus was due to more realistic budgeting, managing resources through creative redeployment and increased staffing levels. The 2006 actual January headcount of 2,686 was 157 more than January 2005's actuals of 2,529 and included the hiring of two classes, in an attempt to bring a proper balance between overtime and the staffing level of the uniform force.

Although the Administration had begun to address staffing issues in relation to the hiring of new classes, it had underestimated the amount of retirements in 2007. A contingency fund had been established in FY 04 the Employee Accrued Liability Reserve Fund, in the amount of \$21.4 million, to address higher than anticipated termination expense should the need arise. Currently, the Administration has no plans to request a draw down on these funds even though termination costs will exceed budget. Termination expense was budgeted for \$19.6 million in FY 07 and assumed 84 separations. As of September 1, 2007 there were 112 sworn officers that have retired or filed papers of intent. OLBR is projecting a total of 125 retirements in FY 07 at a cost of \$28.6 million or \$9.0 million above budget. The FY 08 budget assumes 100 retirements and funds \$22.0 million for termination expense. Based on current actual payouts and evenly dividing the separations by fund which would mean there would be a slight deficit of \$716,000 in FY 08 for termination costs. That is a optimistic estimate given the fact that about 9% of the current 2,612 sworn personnel, or 229 members, have 30 or more years of service. Additionally, the recent PBA Award contains a provision that caps termination payouts beginning in 2009. This provision may trigger more than anticipated separations.

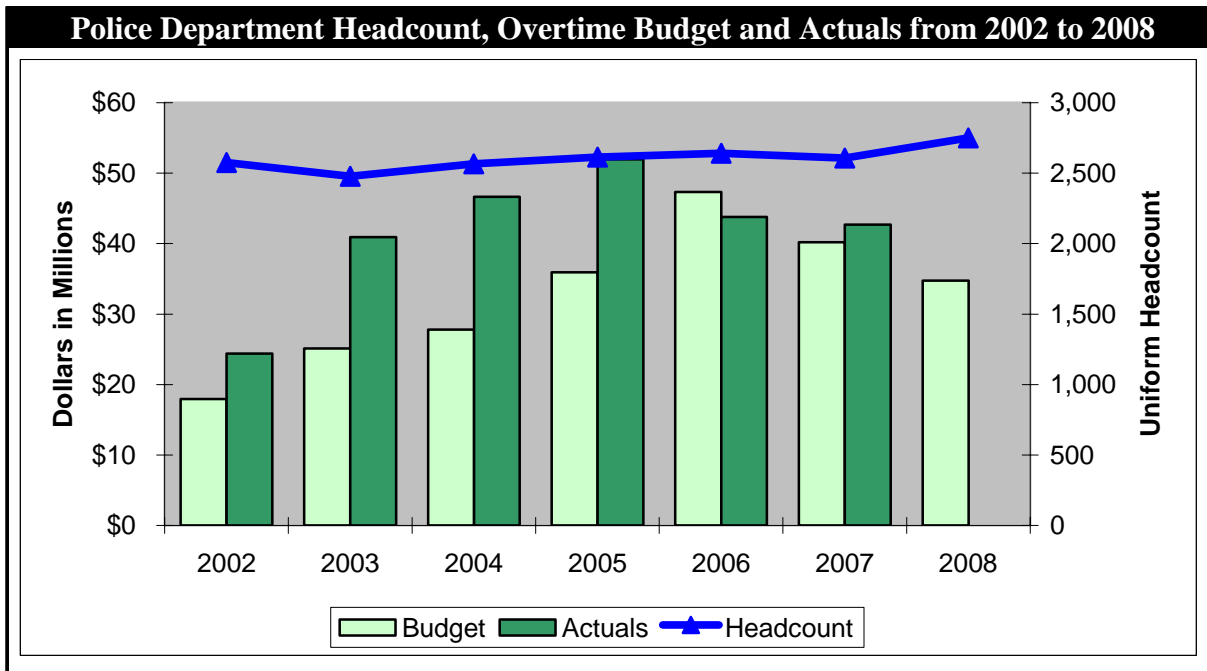


It is uncertain at this time if the DAI Award and SOA contract will have similar provisions regarding termination payouts. Historically, in the interest of consistency, arbitration panels usually provide similar provisions to related labor unions; so it would seem logical to assume some sort of ceiling would be set for termination payouts for the detectives and superior officers. If a termination cap were imposed, the effective date would probably be after that of the PBA in 2009. While there may be an additional year before a termination cap may be implemented, many detectives and superior officers may start leaving knowing the change is coming.

There are plans to hire a class of about 100 recruits in November 2007 with additional classes for the first and fourth quarter in 2008, the size of which depends on the rate of attrition. September actuals indicate that there are 2,607 sworn personnel, or 143 less than the Administration's commitment to a uniform headcount of 2,750. While the new classes will offset attrition levels, there seems to be a continual struggle to maintain detective and superior officer budgeted headcounts of 425 and 422, respectively. Currently there are 405 detectives, 20 below budget and 404 superior officers which is 18 below budget levels. Additionally, in light of the anticipated DAI Award and SOA contract, 16% of detectives and 25% of superior officers have 30 or more years of service and could decide to leave at any time, especially if there are triggers imbedded in the aforementioned contracts. At the time of this writing, the Police Department has tentative plans to have promotions to add 19 detectives, 22 sergeants, 8 lieutenants and 3 captains. The number of superior officers will then exceed budgeted numbers.

The hiring of new police officers is expected to have a positive impact on overtime. As mentioned above, a balance between staffing levels and overtime needs to be maintained. The Administration seemed to be on the road to controlling escalating overtime costs in 2006 with increased headcount, overtime initiatives, certain overtime paid through grant funds and operational efficiencies. Added to that was more realistic budgeting which, when combined with the other factors, generated a surplus of \$3.6 million. Hopefully, FY 06 is not an anomaly in terms of overtime expense. FY 07 overtime is budgeted for \$40.2 million but OLBR is projecting \$42.7 million. FY 08 overtime is budgeted at \$34.8 million which is about 18% less than OLBR's FY 07 projection. While it is true that there are savings associated with the recent PBA Award, with newer officers contractually bound to work some overtime at straight time (an additional 48 hours at straight time plus for the first three years after graduation, new officers work an extra 90 hours at straight time) and any overtime worked is at a lesser rate, an 18% reduction compared to the OLBR FY 07 projections budget is optimistic.

The chart below illustrates the budgeted overtime and actuals for the years 2002 through 2007. The chart includes the October headcount for the corresponding years. With the exception of 2006 overtime actuals exceeded the budget. In addition, overtime costs increased while the headcount increased. Unlike Corrections there is not a direct correlation between headcount and overtime. To achieve the overtime budget for 2008, the earnings will have to go below the actuals of 2003. It remains to be seen if, with the additional headcount, overtime can be managed effectively to stay within budget.



The Administration projects a drop of 3,000 hours of overtime (0.7%) in FY 08, from a FY 07 projection of 453,000 to 450,000. Currently, 70% of police officers are at top step and those that are not, their salaries are advancing rapidly. Overtime worked by these individuals is paid at the highest rate. Clearly, these individuals will be and have been working the majority of overtime. The new classes planned for the fourth quarter of FY 07 and the first quarter of FY 08 will impact overtime for only half the year. The class anticipated for the fourth quarter of FY 08 will have no effect on overtime in FY 08.



<b>Police Department Headcount by Union</b>					
<u>Union</u>	<u>2007 Adopted</u>	<u>Sept. Actuals</u>	<u>2008 Executive</u>	<u>2008 vs 2007</u>	<u>2008 vs Actuals</u>
<b>PBA</b>	1,903	1,798	1,903	0	105
<b>DAI</b>	425	404	425	0	21
<b>SOA</b>	<u>422</u>	<u>405</u>	<u>422</u>	<u>0</u>	<u>17</u>
<b>Subtotal</b>	<b><u>2,750</u></b>	<b><u>2,607</u></b>	<b><u>2,750</u></b>	<b><u>0</u></b>	<b><u>143</u></b>
<b>CSEA</b>	853	812	830	(23)	18
<b>ORD</b>	<u>4</u>	<u>3</u>	<u>4</u>	<u>0</u>	<u>1</u>
<b>Total</b>	<b><u>3,607</u></b>	<b><u>3,422</u></b>	<b><u>3,584</u></b>	<b><u>(23)</u></b>	<b><u>162</u></b>

As shown above, the 2008 Police Department union headcount is remaining flat with 2007 adopted numbers. When compared to September actuals all unions are increasing. Uniform headcount is up 5.2%, or 143, over September 2007 actuals.

### Police Headquarters

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Sworn	959	960	974	973	1,026	5.4%
Full-time Civilian	650	688	732	703	731	4.0%
Salaries	\$171,694,913	\$193,764,685	\$201,558,168	\$207,249,183	\$199,484,050	-3.7%
Fringe	\$73,232,832	\$74,500,342	\$76,669,063	\$94,523,844	\$96,502,600	
Misc OTPS	4,801,781	9,137,704	6,048,954	6,612,136	6,752,032	2.1%
Contractual Services	6,725,774	6,044,830	6,041,781	7,112,042	7,021,364	-1.3%
Intdept/Intfnd Chgs	26,018,817	27,067,534	24,264,535	30,516,937	27,804,266	-8.9%
<b>Total</b>	<b>\$282,474,117</b>	<b>\$310,515,095</b>	<b>\$314,582,501</b>	<b>\$346,014,142</b>	<b>\$337,564,312</b>	<b>-2.4%</b>

The above historical expenditures chart illustrates the gradual rise in sworn and civilian headcount from FY 04 to FY 06. The increased fringe expenses over the years are the result of increased health insurance costs and pension contribution costs. The significant rise in fringes from FY 06 to FY 07 is due to the use of the pension reserve. The FY 06 actual does not reflect the pension costs paid from the Retirement Contribution Fund. The rise in 2005's OTPS is a result of the police vehicle expenditure. The dip in FY 06 for interdepartmental charges and interfund charges reflects a \$3.8 million decrease in indirect charges. In the FY 07 projection, the indirect charges increase by \$5.4 million. The reduction in salaries in FY 08 is related to the \$9.0 million in initiative savings built into the budget as well as a decrease of \$806,000 for overtime expense.

**HEADQUARTERS EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$201,771,928	\$207,249,183	\$199,931,616	\$199,484,050	(\$2,287,878)	(\$7,765,133)
AB	Fringe Benefits	99,025,452	94,523,844	96,354,383	95,855,203	(3,170,249)	1,331,359
AC	Workers Compensation	0	0	647,397	647,397	647,397	647,397
	<b>Total PS</b>	<b>300,797,380</b>	<b>301,773,027</b>	<b>296,933,396</b>	<b>295,986,650</b>	<b>(4,810,730)</b>	<b>(5,786,377)</b>
BB	Equipment	739,340	674,669	1,263,173	1,263,173	523,833	588,504
DD	General Expenses	3,316,667	3,606,667	3,125,284	3,125,284	(191,383)	(481,383)
DE	Contractual Services	7,362,042	7,112,042	7,021,364	7,021,364	(340,678)	(90,678)
DF	Utilities	2,080,800	2,080,800	2,132,820	2,080,800	0	0
OO	Other Expenses	750,000	250,000	282,775	282,775	(467,225)	32,775
	<b>Total OTPS</b>	<b>14,248,849</b>	<b>13,724,178</b>	<b>13,825,416</b>	<b>13,773,396</b>	<b>(475,453)</b>	<b>49,218</b>
HD	Debt Svc Chargebks	3,070,581	3,295,462	3,349,439	3,349,439	278,858	53,977
HF	Inter-Dept. Charges	27,221,475	27,221,475	24,454,827	24,454,827	(2,766,648)	(2,766,648)
	<b>Grand Total</b>	<b>\$345,338,285</b>	<b>\$346,014,142</b>	<b>\$338,563,078</b>	<b>\$337,564,312</b>	<b>(\$7,773,973)</b>	<b>(\$8,449,830)</b>

Salaries in the Headquarters budget will decline slightly by about 1.13% in FY 08, or approximately \$2.3 million over the FY 07 adopted budget. When compared to 2007 projections, there is a reduction of about 3.75%. After factoring in the impact of the recent PBA Award and the potential COLAs for DAI, SOA and CSEA, salaries appears to have a deficit of approximately \$4.5 million. Included in this shortfall is the \$805,967 reduction in overtime expense and \$9.0 million in savings initiatives.

The fringe budget for Police Headquarters is decreasing by \$3.2 million to \$95.9 million in FY 08. The significant decrease is due to the police retirement contingency line which decreased by \$3.3 million. Also contributing to the fringe decline is pension costs, social security costs and Medicare Part B reimbursement. Offsetting those items are higher health insurance costs. The FY 08 budget for health insurance includes a growth rate of 7% for active health insurance and 5.25% for retired health insurance. The growth rate assumption is higher than New York State's most recent health insurance optimistic rate projection of 6.7% for individual and 6.8% for family but lower than New York State's best estimate rate projection of 9.5% for individual and family. In the past, rates have finalized closer to the optimistic scenario. The FY 08 budget for Medicare Part B is decreasing from the FY 07 due to an inflated budget. The actual premium rate finalized lower than the rate built in the FY 07 budget. OLBR projects a surplus of \$887,200 for Medicare Part B reimbursement for Police Headquarters. The decrease in social security costs is due to attrition, the loss of higher paying superior officers who have been replaced by new recruits at lower starting salaries. Finally pension costs are decreasing due to lower pension contribution rates in FY 08.

Due to a change in policy, certain departments will now be responsible for addressing medical and indemnity claims. The police department will identify and correct safety issues as well as attempt to reduce liabilities related to workers' compensation cases that were once the responsibility of the County

Attorney's office. In FY 08, \$647,397 has been included in the personal services budget for this expense.

OTPS expense will decline slightly in FY 08 by \$475,453 when compared to the adopted 2007 budget. The 70.9% increase in equipment is related to the \$511,200 cost for motor vehicles. The Police Department has plans to purchase 23 automobiles (10 marked and 13 unmarked hybrids) in 2008. The \$191,383 reduction in general expenses is related to the transfer of the building maintenance and printing & graphics units into Public Works. By combining the units the Administration hopes to capitalize on scale of size. Also included in this decline is the pre-purchase of ammunition in FY 07 due to anticipated higher prices in FY 08. There is \$340,678 decrease in miscellaneous contractual services and a reduction of \$467,225 in other expenses. This is directly related to the removal of the \$500,000 overtime reserve included in the FY 07 budget. A special overtime initiative was part of the FY 07 budget as a continuation of an initiative that began in FY 06. Interdepartmental charges are declining by \$2.8 million primarily as a result of the County's workers' compensation initiative and the transfer of the estimated annual workers' compensation costs to the department. The removal of those charges, which were \$4.9 million in FY 07, will be offset by \$2.0 million in IT charges. This reflects increased costs associated with the Department of Information Technology and moving \$1.8 million expense from Police district to Headquarters.

<b>POLICE HEADQUARTERS FUND</b>					
		<u>2008 Budget</u>	<u>2009 Plan</u>	<u>2010 Plan</u>	<u>2011 Plan</u>
<b>EXPENSE</b>					
AA	Salaries & Wages	\$199,484,050	\$209,063,634	\$217,277,870	\$225,026,006
AB	Fringe Benefits	95,855,203	102,585,613	111,357,992	113,231,363
	All Other Expense	42,225,059	42,625,850	42,813,390	42,710,268
<b>Expense Total</b>		<b>\$337,564,312</b>	<b>\$354,275,097</b>	<b>\$371,449,252</b>	<b>\$380,967,637</b>
<b>Revenue</b>					
TL	Property Tax	\$276,575,048	\$276,575,048	\$276,575,048	\$276,575,048
	All Other Revenue	60,989,264	60,598,708	60,641,209	60,685,164
<b>Revenue Total</b>		<b>\$337,564,312</b>	<b>\$337,173,756</b>	<b>\$337,216,257</b>	<b>\$337,260,212</b>

The table above demonstrates the Administration's MYP baseline for the Headquarters Fund. Expenses will rise slightly in 2009 as a result of a growth in salaries, but they increase sharply in 2010 and 2011 as a result of the deferred contractual increases. Revenues remain relatively flat due to a static property tax. The Administration will try to offset some of the projected out-year gap with labor savings from the Superior Officers Association (SOA). The anticipated savings from the PBA and DAI are already included in the projected salaries and wages.

<b>Police Headquarters Staffing Analysis</b>						
	<b>FY 07 <u>Adopted</u></b>	<b>Sept-07 <u>Actual</u></b>	<b>FY 08 <u>Request</u></b>	<b>FY 08 <u>Executive</u></b>	<b>Exec. vs 07 Adopt</b>	<b>Exec. vs <u>Actual</u></b>
Uniform	1,022	1,007	1,026	1,026	4	19
Civilian	747	711	731	731	(16)	20
Total Full-time	<u>1,769</u>	<u>1,718</u>	<u>1,757</u>	<u>1,757</u>	<u>(12)</u>	<u>39</u>
Part-time and Seasonal	58	53	55	55	(3)	2

FY 08 uniform headcount is increasing by 4 from the 2007 budget and by 19 over September actuals. There will be 16 fewer civilians when compared to 2007's budget, but 20 more compared to September actuals. The increase in staff is necessary if the Administration is to continue its commitment to maintain a sworn force of 2,750. However, as stated above, it appears that funding in the salary line is insufficient and will not support the additional personnel.

The sub-object code civilian vacancies (CIV), established for the 2005 budget, will accommodate 12 civilian positions in the 2008 budget, the titles of which have yet to be identified.

<b>Transfer of Police Department's Building Maintenance Unit to Public Works</b>			
<b>2007 <u>Adopted Budget</u></b>		<b>2008 <u>Executive Budget</u></b>	
<b>PD</b>	<b>Expense</b>	<b>Public Works</b>	
\$928,843	Salaries	\$931,701	
59,000	Equipment	31,000	
171,000	General Expenses	67,200	
<u>370,330</u>	Contractual Services	<u>320,704</u>	
<u>\$1,529,173</u>		<u>\$1,350,605</u>	
16 FT Employees		15 FT Employees	

The loss of 16 civilian positions includes 11 fewer AMTs, and the transfer of the budgeted 15 civilian Building Maintenance Unit staff to Public Works. This is reflective of the Administration's continuing efforts to consolidate in order to achieve operational efficiencies. The chart above demonstrates the crosswalk for the transfer of BMU into Public Works. All on board 13 civilian staff will be transferred into Public Works while one sergeant will be reassigned in Headquarters to coordinate all repairs needed at the 13 major Police Department structures.

The FY 07 budget funds 156 AMT positions. As of September 1, 2007 there were 142 on board. The Department has not filled these vacant positions because of their goal to create a more diverse unit. The

existing qualifications are too specific and the pool from which the Administration would draw is also too narrow to accommodate the desired diversity. The Administration will look to extend their reach in recruitment in an attempt to widen the pool of candidates.

Mitigating the overall decline in headcount in the Headquarters Fund is the addition of 12 police service aides and three CIV positions.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Permits & Licenses	\$265,550	\$389,125	\$935,630	\$1,070,000	\$1,345,000	25.7%
Fines & Forfeitures	10,650	356	0	6,175	0	0.0%
Investment Income	101,139	133,964	435,010	125,290	129,049	3.0%
Rents & Recoveries	1,152,921	899,711	2,578,834	356,899	200,000	-44.0%
Departmental Revenue	14,252,569	15,349,919	16,807,323	16,721,674	17,451,874	4.4%
Capital Chargebacks	0	0	0	1,029,588	1,081,067	5.0%
Revenue Offset to Exp	0	0	0	1,441,888	1,477,056	2.4%
Inerfund Charges	0	0	0	1,652,824	432,910	-73.8%
Interdept/Interfnd	6,751,921	16,432,422	11,654,371	12,912,837	14,128,863	9.4%
Federal Aid	416,665	472,755	227,629	427,950	427,950	0.0%
State Aid	1,030,853	611,467	862,502	867,171	862,000	-0.6%
Property Tax	239,070,905	252,897,540	258,049,976	287,070,223	276,575,048	-3.7%
Special Tax	19,420,943	23,327,792	23,031,650	23,453,495	23,453,495	0.0%
<b>Total</b>	<b>\$282,474,116</b>	<b>\$310,515,051</b>	<b>\$314,582,925</b>	<b>\$347,136,014</b>	<b>\$337,564,312</b>	<b>-2.8%</b>

In the historical revenue chart above the steady rise in revenue is driven mainly by fluctuations in property tax, departmental revenue and the combined interdepartmental/ interfund revenue. The object code capital chargebacks was added to the budget in 2007 to reflect the reimbursement for expenses related to the Computer Aided Dispatch and the Interoperable Radios System. The revenue offset for \$24,948 reflects prior year accruals. The \$2.6 million for rents and recoveries in 2006 is due to the \$2.2 million purchase of police sedans in 2006, which had originally been intended to be prepaid in 2005. However, the purchase was never finalized in time so the funding became a recovery in 2006. Departmental revenues gradually climbs over the years due to annual CPI increases in ambulance billing collections. Interfund revenue represents funds transferred from the Retirement Contribution Reserve Fund to pay the pension costs.

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 08 budget and out-year baseline.

**Pistol Permit Fee - \$245,000**

The Administration plans on raising the gun permit fee \$49 which will generate \$245,000 in revenue. This proposed increase will require legislative approval. Until this authorization is secure, this item must be considered a risk.

**HEADQUARTERS' REVENUE BUDGET**

Revenue Class		Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.
BC	Permits & Licenses	\$1,070,000	\$1,070,000	\$1,345,000	\$1,345,000	\$275,000	\$275,000
BD	Fines & Forfeitures	0	6,175	\$0	\$0	0	(6,175)
BE	Investment Income	125,290	125,290	129,049	129,049	3,759	3,759
BF	Rents & Recoveries	200,000	356,899	200,000	200,000	0	(156,899)
BG	Revenue Offset	1,441,888	1,441,888	1,477,056	1,477,056	35,168	35,168
BH	Department Revenue	15,721,674	16,721,674	17,451,874	17,451,874	1,730,200	730,200
BI	Cap Backcharges	1,029,588	1,029,588	1,081,067	1,081,067	51,479	51,479
BJ	Interdept. Revenue	12,912,837	12,912,837	14,128,863	14,128,863	1,216,026	1,216,026
BW	Interfund Charges	1,296,340	1,652,824	132,523	432,910	(863,430)	(1,219,914)
FA	Federal Aid	427,950	427,950	427,950	427,950	0	0
SA	State Aid	589,000	867,171	862,000	862,000	273,000	(5,171)
TL	Property Tax	287,070,223	287,070,223	287,070,223	276,575,048	(10,495,175)	(10,495,175)
TX	Special Tax	23,453,495	23,453,495	23,453,495	23,453,495	0	0
<b>Grand Total</b>		<b>\$345,338,285</b>	<b>\$347,136,014</b>	<b>\$347,759,100</b>	<b>\$337,564,312</b>	<b>(\$7,773,973)</b>	<b>(\$9,571,702)</b>

The Headquarters Division obtains revenue through several sources. The 2008 revenue budget declines by about \$8.0 million, or 2.3%, over projected revenue in 2007. The primary reason for this reduction is the \$10.5 million in property tax decrease. Offsetting this decline are the increases in permits & licenses, departmental revenues, interdepartmental revenues, capital chargebacks and state aid. The \$275,000 increase in permits & licenses reflects the Administration's plans to request an increase of about \$49 to the gun permit fee. This item, as with any proposed fee increase, has to be considered a risk until it is approved by the County legislature. Interdepartmental revenue is growing by \$1.5 million over 2007 projections due to salary and fringe increases in the individually calculated interdepartmental service agreements (ISAs). Additionally, revenue offset to expenses and interfund charges in projected 2007 and the FY 08 budget relate to Medicare Part D and monies from the Retirement Contribution Reserve Fund, respectively.

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 06 Actual</b>	<b>FY 07 Budget</b>	<b>FY 07 Projected</b>	<b>FY 08 Proposed</b>
Misc Receipts	\$108,927	\$124,300	\$124,300	\$124,300
Fees	346,985	300,000	300,000	300,000
Parking Meter-Fees	55,960	60,000	60,000	60,000
Ambulance Fees	16,032,957	15,039,174	16,039,174	16,769,374
Ambulance Fee Collections	63,851	50,000	50,000	50,000
Detective Div Fees	17,160	16,200	16,200	16,200
Games of Chance	4,297	2,000	2,000	2,000
Voluntary Fingerprint Card Fees	177,182	130,000	130,000	130,000
	<b>\$16,807,319</b>	<b>\$15,721,674</b>	<b>\$16,721,674</b>	<b>\$17,451,874</b>

The previous chart breaks out the sources of departmental revenue for the Headquarter Fund. The budget remains flat when compared to that of 2007 except for the 11.5% hike in ambulance fee collections. As mentioned above, this reflects the annual CPI increase. The dip in the 2007 budget is due to a possible change in vendors in the middle of 2007. The contract was due to expire and there was fear that there might have been a break in service. Fortunately, the same vendor was awarded the contract so collections continued unbroken throughout the year.

<b>Performance Measurement</b>				
<b>Performance Measure</b>	<b>2006 Actual</b>	<b>2007 Target</b>	<b>2007 Projection</b>	<b>2008 Target</b>
# of moving violations	211,953	215,000	210,000	218,000
Emergency Response Time (measure in minutes)	360	360	360	345
% of accidents with injuries	21.8%	21.8%	21.0%	21.0%
% of violent crimes cleared	81.3%	82.0%	82.0%	82.3%
# of DWI arrests	2,732	2,750	2,700	2,775
Overtime (measured in hours)	485,996	453,207	453,000	450,000
% of violent crimes assigned to an investigator	100%	100%	100%	100%

The chart illustrates the measures by which the department manages its performance.

**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>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fund Balance	\$4,869,568	\$4,869,568	\$4,869,568	\$16,143,723	\$0	-100.0%
Permits & Licenses	1,939,706	1,508,088	1,828,447	1,792,000	2,150,000	20.0%
Fines & Forfeitures	200,166	101,856	79,290	91,401	474,700	419.4%
Investment Income	71,393	113,064	1,510,712	116,700	120,201	3.0%
Rents & Recoveries	870,702	255,664	535,619	150,000	150,000	0.0%
Revenue Offsets	0	0	0	1,038,084	1,061,948	2.3%
Department Revenues	3,109,789	3,101,091	3,410,804	3,419,992	3,187,826	-6.8%
Interdepart. Revenues	480,837	188,296	314,399	127,484	439,766	245.0%
Interfund Charges	0	0	0	9,152,839	10,408,342	13.7%
Nifa Aid	7,500,000	7,500,000	0	0	0	0.0%
State Aid	0	122,903	0	0	0	0.0%
Property Tax	301,296,571	309,306,781	333,627,075	331,639,639	332,465,637	0.2%
<b>Total</b>	<b>\$320,338,732</b>	<b>\$327,067,311</b>	<b>\$346,175,914</b>	<b>\$363,671,862</b>	<b>\$350,458,420</b>	<b>-3.6%</b>

As the previous chart indicates property tax is the single largest contributor to District revenue. Revenue has increased historically due to growth in property tax, and changes in the fund balance. Historically, the trend has been for a gradual rise in property taxes except for the 2006's spike of 7.9% over 2005's property tax which declined by about 0.6% in 2007 and will rise again in 2008. The \$16.1 million in fund balance represents the operating results from FY 06, however the Administration has not budgeted the use of those funds in FY 07. Based on OLBR's expense projections, those funds may be need for 2007. Investment income has remained fairly steady historically except in 2006 when investment income grew as a result of the pension reserve and the police department termination reserve funds investments. All revenue in 2008 will follow the historical trends except for the elimination of the fund balance that was included in 2004, 2005 and 2006 and projected in 2007 and the elimination of NIFA aid which was received in 2004 and 2005. Interdepartmental revenues are increasing by approximately \$312,000 in 2008 due to the increases in ISAs. Additionally, revenue offset to expenses and interfund charges in projected 2007 and the FY 08 budget relate to Medicare Part D and monies from the retirement Contribution Reserve Fund, respectively.

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 08 budget and out-year baseline.



**Alarm Permit Fee - \$358,400**

Due to the passage of a local law in 2007 which increased fines for false burglar alarms, the Administration plans on generating an additional \$358,400 in revenue. Based on information supplied by the Police Department about the number of establishments, mostly commercial, not in compliance with the law, it is reasonable to assume that this revenue can be achieved

<b>DISTRICT REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
AA Fund Balance	\$0	\$16,143,723	\$0	\$0	\$0	(\$16,143,723)
BC Permits & Licenses	1,792,000	1,792,000	2,150,000	2,150,000	358,000	358,000
BD Fines & Forfeitures	109,700	91,401	474,700	474,700	365,000	383,299
BE Investment Income	116,700	116,700	120,201	120,201	3,501	3,501
BF Rents & Recoveries	150,000	150,000	150,000	150,000	0	0
BG Revenue Offsets	1,038,084	1,038,084	1,061,948	1,061,948	23,864	23,864
BH Department Revenues	3,187,826	3,419,992	3,187,826	3,187,826	0	(232,166)
BJ Interdepart. Revenues	127,484	127,484	439,766	439,766	312,282	312,282
BW Interfund Charges	9,152,839	9,152,839	3,186,227	10,408,342	1,255,503	1,255,503
TL Property Tax	331,639,639	331,639,639	331,639,639	332,465,637	825,998	825,998
<b>Grand Total</b>	<b>\$347,314,272</b>	<b>\$363,671,862</b>	<b>\$342,410,307</b>	<b>\$350,458,420</b>	<b>\$3,144,148</b>	<b>(\$13,213,442)</b>

The District Patrol 2008 revenue budget of \$350.5 million is \$3.1 million, or 0.9%, more than 2007's budget. The contributing factors for this slight growth are increases in permits & licenses, fines & forfeitures, interdepartmental revenues, interfund charges and property tax. The \$358,000 increase in permits & licenses reflects the alarm permit initiative. Interdepartmental revenues is growing by \$312,282 as a result of increases in salary and fringe costs associated with ISAs. The property tax levy will go up by 0.25% or \$825,998. Interfund revenue represents funds transferred from the Retirement Contribution Reserve Fund to pay the pension costs. It should be noted that the \$16.1 million fund balance is not included in the FY 08 budget, nor was it in the current year's budget. It is in the FY 07 projection because that was the surplus amount generated from FY 06.

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 06 Actual</b>	<b>FY 07 Budget</b>	<b>FY 07 Projected</b>	<b>FY 08 Proposed</b>
Fees	\$257,316	\$250,000	\$250,000	\$250,000
Tow Truck Franchise Fee	289,249	352,726	232,920	352,726
Village Fees	2,864,239	2,585,100	2,937,072	2,585,100
	<b>\$3,410,804</b>	<b>\$3,187,826</b>	<b>\$3,419,992</b>	<b>\$3,187,826</b>

The above chart demonstrates the breakout of departmental revenue sources for the District Fund. Budget to budget remains constant but compared to the 2007 projection, village fees appear to be decreasing by \$351,972. The variance reflects the increased assessments rates for village fees for County policing. When the budget is prepared, the assessment rates have not yet been set for the following year so the rates are based on the current year. An adjustment is made in the next year which differs from the budget.

<b>POLICE DISTRICT FUND</b>					
		<u>2008 Budget</u>	<u>2009 Plan</u>	<u>2010 Plan</u>	<u>2011 Plan</u>
<b>EXPENSE</b>					
AA	Salaries & Wages	218,595,890	230,175,949	237,978,358	243,171,947
AB	Fringe Benefits	96,725,424	102,689,068	110,187,711	115,036,646
	All Other Expense	35,137,106	35,681,782	35,891,235	35,896,979
<b>Expense Total</b>		<b>350,458,420</b>	<b>368,546,799</b>	<b>384,057,304</b>	<b>394,105,572</b>
<b>Revenue</b>					
TL	Property Tax	332,465,637	332,465,637	332,465,637	332,465,637
	All Other Revenue	17,992,783	7,588,648	7,591,758	7,594,946
<b>Revenue Total</b>		<b>350,458,420</b>	<b>340,054,285</b>	<b>340,057,395</b>	<b>340,060,583</b>

The table above demonstrates the Administration’s baseline for the MYP. Revenues are high in 2008, but they level off in the out-years due to a flat property tax. The reduction in revenues in 2008 is due to the loss of non-recurring revenue from 2007 associated with the pension reserve. Expenses rise dramatically in the out-years as a result of salary increases.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Sworn	1,626	1,651	1,664	1,698	1,738	2.4%
Full-time Civilian	81	105	97	89	89	0.0%
Salaries	\$204,294,551	\$205,579,240	\$203,466,395	\$219,872,324	\$218,595,890	-0.6%
Fringess	\$78,293,693	\$87,558,530	\$90,903,657	\$98,063,708	\$98,924,577	0.9%
Misc OTPS	32,125,685	28,439,925	34,737,397	32,840,029	32,022,754	-2.5%
Contractual Services	755,234	620,048	924,744	903,900	915,199	1.3%
<b>Total</b>	<b>\$315,469,163</b>	<b>\$322,197,743</b>	<b>\$330,032,193</b>	<b>\$351,679,961</b>	<b>\$350,458,420</b>	<b>-0.3%</b>

Historically, salaries remain fairly constant with the exception of the projected FY 07 amount and the proposed FY 08 budget. The spike in 2007 reflects the salary increases associated with the recent PBA Arbitration Award, the class of 91 recruits that were hired in January 2007, and the planned class of 100 new hires for November 2007. The Administration’s 2007 salary projection is about \$9 million less than OLBR’s which explains the slight decrease in the FY 08’s salary line. The increase of 40 in FY 08’s headcount reflects the anticipated new classes planned for 2008. The increased fringe expenses over the years are the result of increased health insurance costs and pension contribution costs. The

significant jump in fringes from FY 06 to FY 07 is due to the use of the pension reserve. The FY 06 actual does not reflect the pension costs paid from the Retirement Contribution Fund.

<b>DISTRICT EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$205,902,271	\$219,872,324	\$219,061,725	\$218,595,890	\$12,693,619	(\$1,276,434)
AB	Fringe Benefits	106,585,232	98,063,708	95,033,718	96,725,424	(9,859,808)	(1,338,284)
AC	Workers Compensation	0	0	2,199,153	2,199,153	2,199,153	2,199,153
	<b>Total PS</b>	<b>312,487,503</b>	<b>317,936,032</b>	<b>316,294,596</b>	<b>317,520,467</b>	<b>5,032,964</b>	<b>(415,565)</b>
BB	Equipment	935,622	852,782	2,368,341	2,368,341	1,432,719	1,515,559
DD	General Expenses	4,360,343	4,360,343	4,095,776	4,095,776	(264,567)	(264,567)
DE	Contractual Services	903,900	903,900	915,199	915,199	11,299	11,299
DF	Utility Costs	1,682,926	1,682,926	1,841,300	1,742,465	59,539	59,539
HH	Interfund Charges	0	0	160	160	160	160
OO	Other Expenses	1,450,000	450,000	513,365	513,365	(936,635)	63,365
	<b>Total OTPS</b>	<b>9,332,791</b>	<b>8,249,951</b>	<b>9,734,141</b>	<b>9,635,306</b>	<b>302,515</b>	<b>1,385,355</b>
HD	Debt Svc Chargebacks	196,518	196,518	118,686	118,686	(77,832)	(77,832)
HF	Inter-Dept. Charges	25,297,460	25,297,460	23,183,961	23,183,961	(2,113,499)	(2,113,499)
	<b>Grand Total</b>	<b>\$347,314,272</b>	<b>\$351,679,961</b>	<b>\$349,331,384</b>	<b>\$350,458,420</b>	<b>\$3,144,148</b>	<b>(\$1,221,541)</b>

The 2008 Executive budget for salaries grows by \$12.7 million, or 6.2%, compared to 2007 budget and decreases by \$1.3 million, or 0.58%, from the 2007 projections. The \$12.7 million difference between 2007 Adopted and projected is a result of the PBA Arbitration Award increases and the planned new class for the latter part of 2007. Should more than the budgeted 50 uniform officers decide to retire, the deficit would be covered by the police contingency fund. However, the \$4.6 million reduction in overtime is troubling since 2007 overtime is projected to come in at budget, which is \$22.5million.

The fringe budget for Police District is decreasing by \$3.2 million to \$96.0 million in FY 08. The same explanation for fringe benefits in District also applies for Police Headquarters.

The FY 08 budget includes \$2.2 million in workers compensation costs. Due to a change in policy, certain departments will now be responsible for addressing medical and indemnity claims. The police department will identify and correct safety issues as well as attempt to reduce liabilities related to workers' compensation cases that were once the responsibility of the County Attorney's office. In FY 08, \$2.2 million has been included in the personal services budget for this expense.

The additional \$1.4 million in the equipment line is for costs associated with the purchase of new patrol cars. The department plans to purchase 55 marked police cars in FY 08. The \$265,567 reduction in general expenses is due to the pre-purchase in FY 07 of ammunition to avoid the anticipated higher prices in FY 08. The 2007 adopted budget contained \$1.0 million in funding for special overtime

initiatives. Based on current information, the Administration has removed the initiative and therefore the funding, as reflected in the FY 07 projection. It is also eliminated from the FY 08 proposed budget. Interdepartmental charges are decreasing by \$2.1 million primarily driven by a \$1.8 million reduction in IT charges which are now being charged to the Headquarters Fund.

<b>Police District Staffing Analysis</b>						
	<b>FY 07 Adopted</b>	<b>Sept-07 Actual</b>	<b>FY 08 Request</b>	<b>FY 08 Executive</b>	<b>Exec. vs 06 Adopt</b>	<b>Exec. vs Actual</b>
Uniform	1,731	1,605	1,738	1,738	7	133
Civilian	107	99	89	89	(18)	(10)
Full-time Staffing	<u>1,838</u>	<u>1,704</u>	<u>1,827</u>	<u>1,827</u>	<u>(11)</u>	<u>123</u>
Part-time and Seasonal	463	443	451	451	(12)	8

The District’s full-time uniform staff is scheduled to increase by 133 over the September actuals and by seven compared to 2007 actuals. September actuals include the retirements of 38 police officers and 13 superior officers. The FY 08 salary budget accommodates funding for 1,531 police officers, 207 superior officers and 89 civilians.

**Out-Year Initiatives**

<b>NAME</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Radio Tower Usage Fee	\$768,000	\$791,808	\$816,354
Adjunct Instructors in The Police Academy	445,329	463,587	482,595

**The Radio Tower Usage Fee** is an initiative in which Nassau County is currently building a new \$50 million public safety radio system which supports the Nassau County Police Department and is inter-operable with other State, local and Federal public safety agencies. The upgrade to the technology is resulting in radio coverage encompassing nearly 99% of all geographical locations within the County and into Suffolk County and New York City. The County is seeking to erect up to four radio towers within the confines of the County and install radio antenna and microwave communications technology to support the radio system. Once operational, the department is anticipating cellular carriers will seek to install their own antenna, resulting in rental revenue to the County. Since this initiative does not require State approval and the towers will be installed on County property, it seems reasonable that the anticipated revenue will be achieved. The gradual climb in revenue reflects the annual CPI increases.

The various public safety classes at the police academy are taught by highly trained and skilled sworn staff on loan from other bureaus/commands. Given the varied syllabus, periodically staff from

specialized commands are temporarily assigned to the academy to teach classes. While the students receive excellent training, the department has to pay overtime for officers to backfill their positions in their “resident” commands or the sworn personnel get paid overtime to teach at the academy. The initiative seeks to have retired or subject matter experts (certified by New York State) to be **Adjunct Instructors in the Academy**. The services of the adjuncts will be secured through a personal services contract with the department. It is not clear if the savings associated with this initiative are net of the cost for adjuncts’ personal services contracts so it is uncertain if those savings could be achieved.

DEPARTMENT OF PROBATION

All areas of criminal probation services are expected to increase in 2008 including investigations (1.7%), pre-trial services (3.8%) and supervision (0.5%) due to increased court activity. Juvenile probation services are also projected to increase in FY 08. The Persons In Need of Supervision (PINS) area is expected to increase by 27.3% and 5.3% for supervision and intake, respectively. This is a sharp contrast to what occurred in 2006. In FY 06, the PINS area experienced a decline in supervision, by 45.9% and intake service, by 10.7%. The Department suspects the decreases are related to the State mandate that requires the County to provide diversion services to youth at risk, being 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 will 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 juvenile delinquent area is projected to escalate by 15.9% and 0.8% for supervision and intake, respectively. The department believes these increases are factors of normal fluctuations. Finally, investigation services within family division are projected to increase 5.3% when compared to the FY 07 estimate.

<u>ACTIVITY INDICATORS</u>				
<u>INDICATOR</u>	<u>ACTUAL 2005</u>	<u>ACTUAL 2006</u>	<u>ESTIMATED 2007</u>	<u>PROJECTED 2008</u>
Investigations - Criminal Division	5,222	5,499	5,900	6,000
Pre-Trial - Criminal Division	13,245	14,139	13,000	13,500
Supervision - Criminal Division	7,744	7,806	7,960	8,000
Investigations - Family Division	1,101	775	850	900
Juvenile Intake - PINS*	1,088	972	1,140	1,200
Juvenile Intake - Juvenile Delinquents	875	908	952	960
Juvenile Supervision - PINS*	209	113	55	70
Juvenile Supervision - Juvenile Delinquents	434	425	410	475
* Persons in need of supervision				
Source: Probation Department				

Historical Expenditures						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Full-time Headcount	218	237	256	234	240	2.6%
Salaries	\$16,410,798	\$17,813,941	\$17,711,811	\$18,600,115	\$20,061,913	7.9%
Misc OTPS	432,820	200,149	179,658	202,826	223,085	10.0%
Contractual Services	32,050	113,170	188,174	156,940	262,550	67.3%
<b>Total</b>	<b>\$16,875,668</b>	<b>\$18,127,260</b>	<b>\$18,079,643</b>	<b>\$18,959,881</b>	<b>\$20,547,548</b>	<b>8.4%</b>

Historically, expenses have increased due to salaries which have grown in response to the headcount. Termination pay for 2005 was almost \$1.0 million, which includes the last payment of the 2002 early retirement payments. Termination pay for 2006 was only \$219,000. In 2006, expenses slightly decreased resulting from lower salary costs, although headcount increased over the prior year. In FY 07 our office is projecting expenditures to increase by \$0.9 million resulting from higher salaries. When compared to our projection, the proposed FY 08 budget will increase by \$1.6 million or 8.37%. The proposed escalation is mainly due to higher salary and contractual services costs. Contractual services' costs have steadily increased in FY 04, FY 05 and FY 06. In FY 07 we expect contractual services' costs to slightly decrease, although the proposed budget includes a 67.3% increase in this area.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$19,131,221	\$18,600,115	\$20,061,913	\$20,061,913	\$930,692	\$1,461,798
BB	Equipment	32,416	26,581	25,252	25,252	(7,164)	(1,329)
DD	General Expenses	240,261	176,245	197,833	197,833	(42,428)	21,588
DE	Contractual Services	164,940	156,940	262,550	262,550	97,610	105,610
	<b>Total OTPS</b>	<b>437,617</b>	<b>359,766</b>	<b>485,635</b>	<b>485,635</b>	<b>48,018</b>	<b>125,869</b>
	<b>Grand Total</b>	<b>\$19,568,838</b>	<b>\$18,959,881</b>	<b>\$20,547,548</b>	<b>\$20,547,548</b>	<b>\$978,710</b>	<b>\$1,587,667</b>

In FY 07, OLBR is projecting a \$0.6 million surplus to the department's budget. This is mainly due to the 13 full-time vacant positions, which result in lower salary costs. The FY 08 proposed budget includes a \$1.6 million increase to our projection with \$1.5 million coming from higher salaries. The growth in the 2008 salary budget is due to CSEA COLA increases, greater overtime (\$183,000), increased termination pay (\$218,293), and the addition of six full-time positions. The Department Head has testified at the Public Safety Committee on Tuesday October 9, 2007 that he has been told a training class will be held in the beginning of next year. He also said that the reduced headcount, which is 22 fewer than the September 1, 2006 headcount, has begun to affect the oversight provided to the

probationers. Although he believes a desirable caseload for probation officers with probationers in need of intensive supervision is at about 35 cases per officer, the actual caseload is at about 50-60. In addition, officers are not doing as much as they used to be able to and he believes they could do more if allowed to hire up to budget. He does believe that if allowed to hire up to budget and if he can sustain that headcount, the budget will be sufficient. Overtime is increasing due to the expansion of electronic monitoring and analytical testing of those convicted of breaking DWI laws. About 42% of Probation Officers and Supervisors will be eligible to retire by the end of 2007 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.

OTPS charges are increasing in the FY 08 budget by \$125,869 or 35.0% from the FY 07 projection and growing by \$48,018 or 11.0% from the FY 07 budget. General expenses are decreasing from the 2007 budget by \$42,428 or 17.7% primarily due to lower medical supply and travel expenses. However, when compared to OLBR’s 2007 projection, these costs will increase by \$21,588 or 12.3%. The department will be transferring funds from the General Fund to the Grant Fund in order to receive a matching grant. The 2008 proposed budget for equipment is slightly decreasing from the 2007 projected levels of funding.

Contractual services are increasing from the 2007 projection by \$105,610 or 67.3%. The growth in contractual services’ costs is due to the continuation of the GPS electronic monitoring program which, in 2007, was partially subsidized with grant funds. In 2008, the department will not receive any grant funds for the program. Additionally, the department hopes to utilize a department-wide software titled “Caseload Explorer” which will manage all the departmental cases and allow for better communication with appropriate state agencies.

Probation, currently located at 101 County Seat Drive, had been scheduled to move to modular units, funded by the building consolidation capital program. This move is being delayed by two separate Temporary Restraining Orders signed by the Court prohibiting the County from proceeding. One suit was bought by the Court Officer’s Union and the other by the Village of Mineola.

<b>Department of Probation Staffing Analysis</b>						
	<b>FY 07 <u>Adopted</u></b>	<b>Sept-07 <u>Actual</u></b>	<b>FY 08 <u>Request</u></b>	<b>FY 08 <u>Executive</u></b>	<b>Exec. vs <u>07 Adopt</u></b>	<b>Exec. vs <u>Actual</u></b>
Full-time Staffing	247	234	240	240	(7)	6
Part-time and Seasonal	12	12	17	17	5	5

As previously discussed, full-time staffing is decreasing by seven from the FY 07 budget and increasing by six from the September 1, 2007 actual. The department hopes to bulk up its staff with probation supervisors and investigators. Part-time and seasonal budgeted positions are increasing by five from both the current actual and the 2007 budget. The department is planning to add six seasonal positions to the Research and Staff Development responsibility center while losing one part-time position in the



Criminal Division. Headcount within the department’s Grant Fund has decreased from prior years due to increasing salary costs and static grant revenues. In September 1, 2005 there were 21 positions fully funded by grants. In September 1, 2006 there were 18, and as of September 1, 2007 there are 17 positions.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Rents & Recoveries	\$63,333	\$224,323	\$12,006	\$0	\$0	0.0%
Department Revenues	1,659,519	1,701,736	1,706,150	1,500,000	1,500,000	0.0%
Interdepartmental Rev.	1,186,249	2,218,464	2,002,239	1,025,000	1,186,900	15.8%
Federal Aid	0	8,750	5,759	10,001	0	-100.0%
State Aid	2,187,310	3,962,233	3,977,307	3,671,642	3,800,000	3.5%
<b>Total</b>	<b>\$5,096,411</b>	<b>\$8,115,506</b>	<b>\$7,703,461</b>	<b>\$6,206,643</b>	<b>\$6,486,900</b>	<b>4.5%</b>

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

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BH Department Revenue	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$0
BJ Inter-Dept. Revenue	1,000,000	1,025,000	1,186,900	1,186,900	186,900	161,900
FA Federal Aid	0	10,001	0	0	0	(10,001)
SA State Aid	3,671,642	3,671,642	3,800,000	3,800,000	128,358	128,358
<b>Total</b>	<b>\$6,171,642</b>	<b>\$6,206,643</b>	<b>\$6,486,900</b>	<b>\$6,486,900</b>	<b>\$315,258</b>	<b>\$280,257</b>

The FY 08 revenue budget is \$0.3 million more than the FY 07 budget and the FY 07 projection. The total increase is due to escalating interdepartmental revenue which, comprised of reimbursement from Social Services for the PINS diversion program and an increase in state aid. Since the department is proposing higher salary costs it expects to receive more reimbursements from Social Services.

State aid is budgeted to increase from both the 2007 budget and the 2007 projection actual by \$128,358 due to an increase in qualified FY 08 expenses. State aid reimburses 18% of expenses not entitled to any other aid or grants.

The agency generates department revenues primarily from charges to clients for supervision and other administration fees to defray the costs associated with their supervision. Departmental revenues is budgeted to remain flat from 2007.

## 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>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	7	7	7	7	7	0.0%
Salaries	\$396,583	\$395,761	\$424,091	\$484,392	\$497,788	2.8%
Misc OTPS	3,004	8,772	8,056	9,208	11,655	26.6%
Contractual Services	10,028	7,025	7,000	7,234	13,234	82.9%
<b>Total</b>	<b>\$409,615</b>	<b>\$411,558</b>	<b>\$439,147</b>	<b>\$500,834</b>	<b>\$522,677</b>	<b>4.4%</b>

Public Administrator's expense has increased slightly over the past few years as headcount remained constant. The jump in 2006 relates to a change in composition of personnel. In 2006 a lesser paid Clerk Typist I was replaced by a higher salaried Administrative Assistant. Salaries also increased in projected 2007 by about 12.4% when compared to 2006 actuals as a result of contractual increases and other salary increases. The trend in OTPS and contractual services remains essentially flat with a slight bump in projected OTPS in 2007 and larger increases in 2008.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$430,084	\$484,392	\$497,788	\$497,788	\$67,704	\$13,396
BB	Equipment	2,235	2,235	0	0	(2,235)	(2,235)
DD	General Expenses	6,973	6,973	11,655	11,655	4,682	4,682
DE	Contractual Services	7,234	7,234	13,234	13,234	6,000	6,000
	<b>Total OTPS</b>	<b>16,442</b>	<b>16,442</b>	<b>24,889</b>	<b>24,889</b>	<b>8,447</b>	<b>8,447</b>
	<b>Grand Total</b>	<b>\$446,526</b>	<b>\$500,834</b>	<b>\$522,677</b>	<b>\$522,677</b>	<b>\$76,151</b>	<b>\$21,843</b>

The FY 08 salaries budget will increase by \$13,396 or 2.8% over OLBR's FY 07 projection. This is a reflection of FY 08 COLAs that the seven full-time employees are expected to receive. The salary line appears to be adequate to support seven full-time staff.

Other than personal services are growing over the FY 07 budget by \$8,447 as a result of increases in general expenses and contractual services. A major portion of general expenses has been budgeted to obtain a General Bond in accordance with Surrogate Court Procedures Act Section 1203. Contractual services is increasing by \$6,000 due to the Computrust software contracts. The remaining \$7,234 budgeted in contractual services is to cover an annual audit conducted by an outside accounting firm and remains unchanged from 2007.

The department has repeatedly 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, including Westchester, New York City and Suffolk, and has been requested by the department for the past several years. Full implementation is planned for sometime in 2008. 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.

<b>Public Administrator Staffing Analysis</b>						
	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	7	7	7	7	0	0

Budgeted full-time headcount remains unchanged at seven from FY 07.

<b>Historical Revenue</b>						
	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Actual</u>	<u>FY 07 Projected</u>	<u>FY 08 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$0	\$441	\$232	\$0	\$0	*****
Departmental Revenue	235,163	329,364	320,772	327,854	327,854	0.0%
<b>Total</b>	<b>\$235,163</b>	<b>\$329,805</b>	<b>\$321,004</b>	<b>\$327,854</b>	<b>\$327,854</b>	<b>0.0%</b>

Revenue has varied over the years because Public Administrator fees are based upon a percentage of the gross assets of the estates the Public Administrator administers. Revenue can vary on any given year based on the number of estates the County administers; therefore revenue can be difficult to project. Historically though, revenue has remained fairly constant.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BH Department Revenues	\$327,854	\$327,854	\$327,854	\$327,854	\$0	\$0

The proposed revenue budget is remaining unchanged in FY 07. The collection of fees is authorized under sections 2307 and 1207-4 of the Surrogate's Court Procedures Act. For FY 06 the department earned \$320,772 in revenue for the year. The department anticipates a similar amount of revenue in FY 07.

**DEPARTMENT OF PUBLIC WORKS (GENERAL FUND)**

The mission of the Department of Public Works (DPW) is to plan, design, construct, manage, operate and preserve Nassau County’s network of infrastructure, transportation, environmental and natural resources. The Department operates with two major funding sources, the General Fund and the Sewer and Storm Water District Fund. The department’s Sewer and Storm Water budget is addressed in a separate section of this document.

The proposed budget reflects three structural changes related to DPW: 1) the consolidation of the Traffic Safety Board into DPW; 2) the transfer of the Police Department’s Building Maintenance Unit (BMU) to DPW; and 3) workers’ compensation expenses being moved from an indirect charge to a direct charge. Each of these changes is discussed below.

**Transfer of Traffic Safety Board to Public Works**

<u>2007</u> <u>Adopted Budget</u>	<u>Expense</u>	<u>2008</u> <u>Exec. Budget</u>
<b>Traffic Safety Board</b>		<b>Public Works</b>
\$191,847	Salaries	\$204,719
<u>526</u>	General Expenses	<u>480</u>
<u>\$192,373</u>		<u>\$205,199</u>

2 FT Employees 2 FT Employees

<u>2007</u> <u>Adopted Budget</u>	<u>Revenue</u>	<u>2008</u> <u>Exec. Budget</u>
<b>Traffic Safety Board</b>		<b>Public Works</b>
<u>175,000</u>	Department Rev.	<u>160,000</u>
\$175,000		\$160,000

The Nassau County Traffic Safety Board will be consolidated with DPW’s Traffic Division. The mission of the Nassau County Traffic Safety Board is to improve street and highway safety for all users of Nassau County roadways. The Board is committed to reducing vehicular injuries and fatalities, reducing alcohol and drug impaired injuries and fatalities and reducing emotional and fiscal costs resulting from traffic accidents. The Board is responsible for channeling requests for federal and state grants for traffic safety and stop-DWI programs to the correct government agency. The two current employees of the Board will be moved into the DPW budget, with salary expenses in FY 08 of \$204,719 and general expenses of \$480. The Board’s budget will also include a revenue component of \$160,000.

**Transfer of PD's Building Maintenance Unit to Public Works**

<b>2007</b>		<b>2008</b>	
<b>Adopted Budget</b>		<b>Exec. Budget</b>	
<b>Police Department</b>	<b>Expense</b>	<b>Public Works</b>	
\$928,843	Salaries	\$931,701	
59,000	Equipment	31,000	
171,000	General Expenses	67,200	
370,330	Contractual Services	320,704	
<u>\$1,529,173</u>		<u>\$1,350,605</u>	
16 FT Employees		15 FT Employees	

The Police Department's Building Maintenance Unit (BMU) has an FY 07 budget of \$1.5 million, with a current staff of 16 full-time employees, including one sergeant. The salaries and related OTPS funding for all of the 15 civilian workers will be moved to the DPW Facilities Management Unit. In FY 08, a budget of \$1.4 million has been proposed for the unit, consisting of \$931,701 for salaries, and \$418,904 for OTPS.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	552	529	506	510	556	9.0%
Salaries	\$33,178,473	\$35,018,386	\$32,141,752	\$34,671,569	\$38,608,934	11.4%
Workers Compensation	\$0	\$0	\$0	\$0	\$1,099,414	*****
Misc OTPS	5,449,180	5,055,295	4,567,874	5,112,708	5,450,482	6.6%
Contractual Services	8,432,701	7,708,122	8,149,628	7,126,315	7,977,728	11.9%
Utility Costs	23,550,459	28,616,394	31,557,046	33,546,484	32,955,654	-1.8%
Interdepart./Interfund	4,146,811	1,966,800	684,999	7,902,598	7,715,536	-2.4%
<b>Total</b>	<b>\$74,757,625</b>	<b>\$78,364,998</b>	<b>\$77,101,299</b>	<b>\$88,359,674</b>	<b>\$93,807,748</b>	<b>6.2%</b>

The historical data in the chart above illustrate the decline in actual headcount through 2007 for DPW. The department has been losing employees at a greater rate than it has been able to replace them. The difficulty in recruiting candidates has been attributed to the low starting salaries and the Nassau County residency requirement. The 556 authorized full-time positions in the FY08 Executive Budget include the addition of 17 employees resulting from the transfer into DPW of the Police Department's BMU and the Traffic Safety Board.

As shown above, utility costs have been increasing significantly each year due to rising energy consumption and electricity costs. The reduction seen in FY 08 will be discussed below. The irregular trend seen in inter-departmental and inter-fund charges reflects the varying methodology by which those cost allocations of centralized shared services have been accounted for over the years.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$36,054,577	\$34,671,569	\$38,311,695	\$38,608,934	\$2,554,357	\$3,937,365
AC	Workers Compensation	0	0	1,099,414	1,099,414	1,099,414	1,099,414
	<b>Total PS</b>	<b>36,054,577</b>	<b>34,671,569</b>	<b>39,411,109</b>	<b>39,708,348</b>	<b>3,653,771</b>	<b>5,036,779</b>
BB	Equipment	293,608	267,926	200,950	200,950	(92,658)	(66,976)
DD	General Expenses	5,083,782	4,844,782	5,249,052	5,249,532	165,750	404,750
DE	Contractual Services	7,361,474	7,126,315	8,077,728	7,977,728	616,254	851,413
DF	Utility Costs	32,981,702	33,546,484	33,509,615	32,955,654	(26,048)	(590,830)
	<b>Total OTPS</b>	<b>45,720,566</b>	<b>45,785,507</b>	<b>47,037,345</b>	<b>46,383,864</b>	<b>663,298</b>	<b>598,357</b>
HF	Inter-Dept. Charges	7,902,598	7,902,598	7,715,536	7,715,536	(187,062)	(187,062)
	<b>Grand Total</b>	<b>\$89,677,741</b>	<b>\$88,359,674</b>	<b>\$94,163,990</b>	<b>\$93,807,748</b>	<b>\$4,130,007</b>	<b>\$5,448,074</b>

The proposed FY 08 budget will increase DPW spending by \$5.4 million over projected FY 07 costs, and \$4.1 million, or 4.6%, over the adopted FY 07 budget. Approximately \$1.1 million of this increase results from the change in policy regarding Workers' Compensation expenses. Formerly, those costs were centrally budgeted for in the County Attorney's Office. Beginning in 2008, Workers' Compensation will be directly charged to DPW, the Police Department, and the Correctional Center. OMB's budget will account for all of the other agencies.

The FY 08 salary budget is increasing by \$2.6 million over the FY 07 budget, and \$3.9 million over the FY 07 projected costs. Approximately \$1.1 million of this increase results from the addition of the 17 employees from the Traffic Safety Board and the Police Department. The salaries line also includes funding for CSEA steps and a COLA. The CSEA contract will expire at the end of 2007, so the rate of the COLA is an estimate. An additional \$129,800 has been budgeted for overtime costs. Of that amount, \$72,000 is related to snow removal operations that are carried out by Parks Department personnel. The overtime expense has been moved to DPW to centralize the cost of snow removal. The employees will remain in Parks. The remainder of the overtime increase has been allocated for road maintenance operations.

Total other than personal services costs are increasing by 1.5%. Growth has been much higher in recent years driven by the increasing heat, light, and power expenses for the County's buildings and traffic light system, which are centrally budgeted in DPW. However, the proposed spending for utilities in FY 08 is slightly less than the amount adopted for FY 07. One reason for this is that in FY 07, \$3.2 million was included for Nassau Community College utility costs (DPW received back an equal interfund revenue from the College). With the installation of a separate metering system in 2007 the College has begun to pay LIPA directly. This change in billing should have resulted in a utilities surplus of \$3.2 million for DPW. However, even with the elimination of those charges, OLBR's projected utilities expense for 2007 is \$33.5 million, approximately \$591,000 more than the amount that has been

budgeted in FY 08. It is not clear at this time how the closing of 101 County Seat Drive or the opening of the Old Courthouse will impact the utility costs. The budget also includes the second of 10 annual payments of \$1.2 million to the New York Power Authority (NYPA), reimbursing NYPA for improvements provided through its Energy Service Program (ESP). ESP provides full upfront funding for the installation of more energy efficient systems. Participating entities are required to repay NYPA for the cost of those improvements over a set period.

One of the components of utility costs is the \$7.7 million in charges for Trig-Gen Nassau District Energy. Trig-Gen operates the power generation plant on County owned property located in Uniondale. In addition to selling electric power to LIPA, Tri-Gen provides thermal energy (steam, hot water and chilled water) to Nassau University Medical Center (NUMC), the Children’s Museum, the Cradle of Aviation, the Aquatic Center, the Correctional Facility, the Community College, the Coliseum and the Marriot.

Excluding utilities, the FY 08 OTPS expense budget is increasing by \$689,346 or 5.4% over the FY 07 allocation. Of that amount, \$419,384 is related to the Traffic Safety Board and the Building Maintenance unit. Contractual expenses are increasing by \$616,254 or 8.4% over the FY 07 adopted amount. DPW contracts for numerous technical and specialized services, such as traffic signal maintenance, traffic computer maintenance, street light maintenance, HVAC maintenance and repair, pest control, hazardous materials removal, and many others.

Interdepartmental charges, used to identify and allocate the costs incurred by other departments on behalf of Public Works, are decreasing slightly. The proposed FY 08 budget of \$7.7 million includes \$4.5 million of indirect charges and \$2.9 million for building occupancy charges

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 07 Budget</b>	<b>Departmental Request FY 08</b>	<b>Executive FY 08</b>	<b>Variance Exec. vs FY 07</b>	<b>Variance Exec. vs Request</b>	
00 Administration	\$3,674,147	\$4,951,996	\$4,951,996	\$1,277,849	\$0	
01 Engineering	18,552,199	18,598,985	18,759,308	207,109	160,323	
02 Operations	61,995,847	64,943,241	64,426,676	2,430,829	(516,565)	
03 Fleet Management	5,455,548	5,669,768	5,669,768	214,220	0	
<b>Total</b>	<b>\$89,677,741</b>	<b>\$94,163,990</b>	<b>\$93,807,748</b>	<b>\$4,130,007</b>	<b>(\$356,242)</b>	

The Department of Public Works includes four control centers: Administration, Engineering, Operations and Fleet Management.

The control center for Administration includes expenses to carry out DPW’s administrative management, such as clerical and accounting functions. It also includes the capital planning office. The \$1.3 million increase seen in the chart above is largely due to the addition of Workers’ Compensation costs of \$1.1 million.



The division of Engineering (labeled as Highways and Engineering in the supporting schedules) centralizes all engineering staff under various functional units. These include architectural planning & design, construction management, the quality control laboratory, traffic 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. Of the \$2.4 million dollar increase in this control center in FY 08, \$1.4 million will be used to cover the charges associated with the Building Maintenance unit.

Fleet Management (labeled Groundwater Remediation in the budget book) includes the maintenance costs for the County's Fleet vehicles.

<b>Department of Public Works Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
<b>CC Full-time Staffing</b>						
00 Administration	46	42	50	50	4	8
01 Engineering	153	136	152	154	1	18
02 Operations	300	297	316	316	16	19
03 Fleet Management	34	35	36	36	2	1
<b>Total Full-time</b>	<b><u>533</u></b>	<b><u>510</u></b>	<b><u>554</u></b>	<b><u>556</u></b>	<b><u>23</u></b>	<b><u>46</u></b>
<b>CC Part-time and Seasonal</b>						
00 Administration	36	14	19	19	(17)	5
01 Engineering	0	3	3	3	3	0
02 Operations	140	115	150	150	10	35
03 Fleet Management	8	4	3	3	(5)	(1)
<b>Total Part-time and Seasonal</b>	<b><u>184</u></b>	<b><u>136</u></b>	<b><u>175</u></b>	<b><u>175</u></b>	<b><u>(9)</u></b>	<b><u>39</u></b>

As seen in the chart above, full-time staffing in the proposed budget is increasing by 23 positions from 533 in the FY 07 budget to 556. That level of staffing would be 46 more positions than were on board on September 1, 2007. The 15 Building Maintenance unit employees (5 carpenters, 3 electricians, 4 painters, a plumber, a mechanic, and a clerk typist) and the 2 Traffic Safety staffers (a Traffic Safety Educator, and an Assistant/Executive Secretary of Traffic Safety Board) account for most of the full-time increase. Part-time positions are being reduced by 9, from 184 in the FY 07 budget to 175 in FY 08. There are 130 seasonal positions in the Operations control center, budgeted at \$565,000. They are utilized for maintaining the roads by cleaning out the catch basins, mowing the surrounding grass, and fixing potholes.

The significant number of vacant positions has been an ongoing issue for DPW. Unfilled positions as of September 1, 2007 include six laborers, four equipment operators, two maintenance carpenters, two stationary engineers, three clerk stenographers, four civil engineers, four construction inspectors, two traffic signal inspectors. The department will continue to backfill critical vacancies. Candidates for new hires and promotions are identified by canvassing existing civil service lists, and by posting non-competitive vacancies.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Permits & Licenses	\$235,345	\$339,650	\$518,862	\$339,563	\$182,000	-46.4%
Rents & Recoveries	333,064	717,191	199,641	0	0	*****
Department Revenues	888,722	1,450,496	1,001,687	711,175	1,129,517	58.8%
Capital Backcharges	2,548,186	5,153,471	4,132,234	4,743,909	4,981,104	5.0%
Interdepartmental Rev.	20,788,974	14,786,842	16,346,308	10,824,917	11,848,688	9.5%
Interfund Charges	0	6,512,113	7,978,346	4,883,919	4,455,276	-8.8%
Federal Aid	415,685	0	0	0	580,000	*****
State Aid	0	362,285	72,659	16,721	55,000	228.9%
<b>Total</b>	<b>\$25,209,975</b>	<b>\$29,322,048</b>	<b>\$30,249,737</b>	<b>\$21,520,204</b>	<b>\$23,231,585</b>	<b>8.0%</b>

The chart above displays historical revenue collected from FY 03 to FY 07. The decrease in permits and licenses from prior years is due to the transfer of sewage connections and permit verifications into the Sewer and Storm Water Resource District. Revenue for capital back-charges have varied from FY 03 to FY 07. In order to ease the level of debt service, capital projects were scaled back in FY 03 and FY 04. As a result, capital back-charges experienced a reduction. The trend has since been reversed as the County continues to increase capital spending.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. Vs FY 07 Proj.</b>
BC Permits and Licenses	\$182,000	\$339,563	\$182,000	\$182,000	\$0	(\$157,563)
BF Rents & Recoveries	0	0	0	0	0	0
BH Department Revenues	941,017	711,175	969,517	1,129,517	188,500	418,342
BI Capital Backcharges	4,743,909	4,743,909	4,981,104	4,981,104	237,195	237,195
BJ Interdepartmental Rev.	10,824,917	10,824,917	11,848,688	11,848,688	1,023,771	1,023,771
BW Interfund Charges Rev.	8,083,919	4,883,919	4,455,276	4,455,276	(3,628,643)	(428,643)
FA Federal Aid - Reimb.	440,000	0	580,000	580,000	140,000	580,000
SA State Aid - Reimb.	55,000	16,721	55,000	55,000	0	38,279
<b>Grand Total</b>	<b>\$25,270,762</b>	<b>\$21,520,204</b>	<b>\$23,071,585</b>	<b>\$23,231,585</b>	<b>(\$2,039,177)</b>	<b>\$1,711,381</b>

The proposed FY 08 revenue budget for the department is decreasing by \$2.0 million from \$25.3 million in FY 07 to \$23.2 million. The reduction is largely attributable to the \$3.6 million decrease in the interfund charges line, which had included \$3.2 million in FY 07 for Nassau Community College utility

costs. DPW had been making the payment on behalf of the College, and then was reimbursed by way of this interfund charges revenue. Neither the DPW utilities expense nor the associated revenue will occur in FY 07. The \$4.5 million for interfund charges in FY 08 is related to the reimbursement DPW receives for costs associated with the Mitchel Field sites.

Interdepartmental revenues are intended to identify and allocate the costs incurred by DPW on behalf of other County departments. A corresponding expense gets booked to the department receiving the services as an inter-departmental charge. The FY 08 budget for interdepartmental revenues is \$11.8 million, which is a \$1.0 million increase from the FY 07 budget. Cost allocable services provided by DPW include building occupancy, fleet maintenance and gasoline charges from other General Fund departments. The vast majority of the revenue, \$11.3 million, is related to the management of County facilities.

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 06 Actual</b>	<b>FY 07 Budget</b>	<b>FY 07 Projected</b>	<b>FY 08 Proposed</b>
Misc Receipts	\$671,436	\$700,000	\$466,752	\$617,000
Subdivision Plan Review - 080A	119,931	0	104,450	200,000
Fees	500	0	0	0
Non-Stormwater Discharges	875	76,017	875	10,000
Plans	38,200	50,000	37,364	51,000
Adopt-A-Highway Program	15,000	17,000	0	0
Reimb Expenses IGT	41,223	25,000	27,492	160,000
Reimb Expenses-General	0	0	0	25,000
Rule Book Sales	2,422	2,000	779	517
Subdivision Plan Review - 9868	50,700	20,000	24,267	15,000
239-K Review	61,400	51,000	49,196	51,000
	<b>\$1,001,687</b>	<b>\$941,017</b>	<b>\$711,175</b>	<b>\$1,129,517</b>

The chart above provides detail of DPW’s departmental revenues. The sub-division plan review 080A fee is charged to developers of sub-division plots when their sites do not provide for adequate drainage. The fee is based upon the volume of the run-off that ends up in County drainage pipes. Sub-division Plan Review 9868 is a flat fee charged for review of a sub division plan review which entails looking at traffic, sanitary, and highway engineering matters, as well as some additional drainage. The fee was increased in 2007 from \$1,900 per each initial submission to \$2,028. If the plan is rejected and has to be resubmitted, there is a charge of \$213 (increased from \$200) for the subsequent reviews. Revenue collected under 239-K review relates to section 239 of the municipal laws. For any work done adjacent to County property, the law requires the owner of the property to submit site plans to the Department of Public Works for review. Plans revenues are received for the sale of contract plans and books to perspective bidders on various DPW contracts.

The reimbursed expenses–IGT line is where the Traffic Safety Board revenues of \$160,000 will be recorded. This funding is received from grants to reimburse the costs of administrative and public

information services related to DWI enforcement and seat belt safety programs. In FY 06, \$174,382 was received and through August of this year, \$114,569 has been booked. The line for reimbursed expenses—general is for reimbursement of overtime costs incurred by DPW personnel for work related to construction projects. The reimbursement is paid by the contractor. In FY 07, this revenue was budgeted on the reimbursed expenses—IGT line.

The proposed FY 08 departmental revenues amount of \$1.1 million is an increase of \$188,500 over the FY 07 budget, and \$418,342 over the FY 07 projection. Based on FY 07 projections, it appears that even with the addition of the Traffic Safety Board funding, the proposed FY 08 budget appears overly optimistic.

Capital back-charges are increasing by 5.0%, or \$237,195 in FY 08. Capital back-charges are generated by those operating costs related to capital project planning, which are charged back to the appropriate capital project in order to match the useful life of the asset with the true costs incurred. Each time an employee works on a particular project, he or she records the project and time spent per day, which is used as the basis for the backcharge.

The FY 08 budget for federal aid is based on DPW receiving 80% reimbursement of the amount spent on the traffic computer maintenance contract. In FY 07, \$440,000 was anticipated from this source, but it appears at this time that no reimbursement will be received for current year costs. The U.S. Department of Transportation's Traffic Improvement Program (TIP) schedule was amended and as a result some projects were added and others pushed back. Nassau's project (H62123) was postponed to the 2008 schedule. The maintenance contract will be re-bid for 2008 and its cost is expected to increase from the existing \$550,000 annually to \$725,000. At 80%, that would yield \$580,000 of reimbursement.

The State aid budget of \$55,000 includes reimbursement from the State for mosquito control and surveillance.

**Out-Year Plan Initiative**

NAME	FY 2009	FY 2010	FY 2011
Energy Efficiency Improvements Program	\$1,064,130	\$546,128	\$546,128

Using the energy efficiency program designed by Johnson Controls for Nassau Community College in July 2006 as a model, Nassau County intends to sign a contract with an Energy Services Company. This company will develop and implement a comprehensive energy management/retrofit program. Additionally, the consultant will provide design concepts, engineering services, project financing, turnkey implementation and ongoing operational support and training. The end result is to provide the County with the means to realize maximum utility savings at County facilities without the requirement of capital or operating funding.

No operating or capital funds will be used since the contract will be a performance-based, self-funding contract. The contract will be guaranteed in that subsequent to completion of an energy audit, the consultant will guarantee a specified amount of savings which exceed the requisite debt service costs. In the event that the projected savings do not materialize, the consultant will write the County a check to cover the loss. Either party to the contract may do the bonding. The term of the contract should match the term of the bond issue.

The figures currently included in the Multi-Year Plan represent 50% of the savings estimate received by Nassau Community College. The figures are reflexive of energy savings, operational savings and energy rebates. The savings peak in 2009 and remain flat in 2010 and 2011. The peak is the result of anticipated collection of non recurring energy rebates and incentives in 2009.

These savings may be considered a risk since the efficiency measures are not specified and may not be analyzed individually. For example, without knowledge of the specific models/structures being used, their inherent efficiency ratings and forecast usage, an estimate of energy savings may not be under taken.

The County issued a request for information (RFI) and received 11 responses. Of the received responses three contained an energy savings guarantee. The County now must determine what buildings should be incorporated in the program, issue a request for proposal, select a consultant and sign a contract.

Without a completed energy audit or signed contract, the accuracy of the savings can not be ascertained.

## 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>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	23	22	23	23	25	8.7%
Salaries	\$1,275,361	\$1,322,147	\$1,426,961	\$1,553,469	\$1,706,442	9.8%
Misc OTPS	24,626	11,006	15,435	32,374	32,100	-0.8%
Contractual Services	0	93,000	92,668	234,200	153,200	-34.6%
<b>Total</b>	<b>\$1,299,987</b>	<b>\$1,426,153</b>	<b>\$1,535,063</b>	<b>\$1,820,043</b>	<b>\$1,891,742</b>	<b>3.9%</b>

The chart above shows actual expenditures for the Purchasing Department since FY 04, with a projected amount for FY 07. The agency has maintained fairly steady staffing and salaries over this period. The use of contractual services has increased since FY 06 due to several IT related initiatives.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$1,634,329	\$1,553,469	\$1,706,442	\$1,706,442	\$72,113	\$152,973
BB	Equipment	1,999	1,824	1,550	1,550	(449)	(274)
DD	General Expenses	29,084	30,550	30,550	30,550	1,466	0
DE	Contractual Services	164,500	234,200	153,200	153,200	(11,300)	(81,000)
	<b>Total OTPS</b>	<b>195,583</b>	<b>266,574</b>	<b>185,300</b>	<b>185,300</b>	<b>(10,283)</b>	<b>(81,274)</b>
HF	Inter-Dept. Charges	1,772,047	1,772,047	1,780,631	1,780,631	8,584	8,584
	<b>Grand Total</b>	<b>\$3,601,959</b>	<b>\$3,592,090</b>	<b>\$3,672,373</b>	<b>\$3,672,373</b>	<b>\$70,414</b>	<b>\$80,283</b>

The proposed FY 08 budget for the Purchasing Department is increasing by \$70,414, or 2.0%. OTPS is being reduced by 5.3% or \$10,283, largely due to a reduction in contractual services line of 6.9%. The department has contracts which include: inventory management software & training and Internet subscription, to name a few. The department is attempting to give greater attention to the purchasing patterns of each department. The agency hopes to efficiently track inventory, codify purchasing patterns

and reduce inventory levels. The Dunn & Bradstreet contract which was used to “clean” the vendor information in the system is no longer needed and has been eliminated from the FY 08 budget. The salary line is increasing by \$72,113.

<b>Purchasing Staffing Analysis</b>						
	<b>FY 07 Adopted</b>	<b>Sept-07 Actual</b>	<b>FY 08 Request</b>	<b>FY 08 Executive</b>	<b>Exec. vs 07 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	24	23	25	25	1	2

Authorized full-time headcount is increasing by one position to 25. That would be two more employees than are currently on staff. The following positions have been added to the budget: Administrative Assistant, Property Control Coordinator and Stores Clerk. A Buyer II and Clerk III have been removed.

<b>Historical Revenue</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Rents & Recoveries	\$43,470	\$150,165	\$306,424	\$313,332	\$650,000	107.4%
Department Revenues	4,000	79	1,341	25,013	20,500	-18.0%
Interdepartmental Rev.	2,056,567	935,360	593,193	765,303	1,432,606	87.2%
<b>Total</b>	<b>\$2,104,037</b>	<b>\$1,085,605</b>	<b>\$900,958</b>	<b>\$1,103,648</b>	<b>\$2,103,106</b>	<b>90.6%</b>

The chart above shows revenues realized by the Purchasing Department since FY 04, with a projected amount for FY 07. Rents and recoveries revenue is received from the sale of surplus County property. The revenue associated with this line item is highly dependent upon what is available to be auctioned or sold in any given year. Outdated equipment is turned in to Purchasing from departments throughout the County. If the agency is able to sell any of these items it receives the proceeds. The departmental revenues for Purchasing consist of charges for physical copies of bids etc. The FY 07 departmental revenues appear higher in light of the historical trend, but the increase is due to the Online Premium Subscription Service. This web-based environment sends email alerts to vendors about Request for Proposals which match the vendors’ online profile. Interdepartmental revenues reimburse 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 interdepartmental charge (HF).

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BF Rents & Recoveries	\$52,000	\$313,332	\$250,000	\$650,000	\$598,000	\$336,668
BH Departmental Revenue	28,000	25,013	20,500	20,500	(7,500)	(4,513)
BJ InterDept Revenue	765,303	765,303	765,303	1,432,606	667,303	667,303
<b>Grand Total</b>	<b>845,303</b>	<b>1,103,648</b>	<b>1,035,803</b>	<b>2,103,106</b>	<b>1,257,803</b>	<b>999,458</b>

The FY 08 Executive Budget is increasing by \$1.3 million due to higher rents and recoveries and interdepartmental revenue. Historically, rents and recoveries has been conservatively budgeted between \$30,000 and \$52,000. This line primarily records the sale of unusable County property such as furniture, vehicles, IT equipment, to name a few. This revenue line has a budgeted increase of \$598,000, and an increase of \$336,668 over the FY 07 projection. The budgeted amount conflicts with the departmental request of \$250,000. In order to better determine these annual receipts, Purchasing asked Police, Corrections and Public Works, which together account for 90% of the revenues received for surplus items sold, to estimate the number of vehicles and items to be excessed. Revenue beyond the \$250,000 request is attributed to the Inventory Management proposal. The Administration anticipates that a number of saleable surplus items will be discovered during the process of reviewing current inventory levels. While additional revenue can be expected, it is difficult to quantify the level of return. The \$400,000 variance between the department's request and the proposed budget is at risk.

The FY 08 budget for departmental revenues of \$20,500 represents a reduction of 26.8% or \$7,500. This line is driven by the Online Premium Subscription Service mentioned previously. This service began accepting payments on May 21, 2007. Visa and MasterCard are the only credit cards accepted at this time. The premium service is available for one year from the date of purchase. The department has stated that many vendors misunderstood the program and thought it was a requirement to register with the County. Despite disclaimers on the website stating the voluntary nature of the program a few vendors expressed this sentiment. The adjustment in revenue for FY 08 takes into account the non-renewal of these vendors.

The Purchasing Department is a "seller" of its procurement services to many County agencies. Interdepartmental revenues are received from the "buyers" of those services. The largest of these in the FY 08 budget are Police Headquarters (\$603,373), Health (\$281,685), Social Services (\$150,787), and IT (\$115,172).



OFFICE OF REAL ESTATE SERVICES

The Office of Real Estate Services provides real estate services to County government including strategic planning, property acquisition and disposition, and building project planning and development.

Historical Expenditures						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Full-time Headcount	12	12	11	8	9	12.5%
Salaries	\$876,506	\$1,047,162	\$806,443	\$781,263	\$833,716	6.7%
Misc OTPS	97,131	111,803	161,500	277,936	313,325	12.7%
Insurance on Bldgs	210,732	13,512	11,522	11,598	0	-100.0%
Rents	4,488,154	10,306,144	11,759,117	13,331,928	13,761,728	3.2%
<b>Total</b>	<b>\$5,672,523</b>	<b>\$11,478,621</b>	<b>\$12,738,582</b>	<b>\$14,402,725</b>	<b>\$14,908,769</b>	<b>3.5%</b>

The above chart details Real Estate Services expenditures over the past five years. The largest expenditure category is rents. These payments are itemized in Exhibit A on page 223. County rents have grown \$9.3 million or 206.6% over the past five years. The increase may be attributed to the County’s consolidation programs. To facilitate the no wrong door policy, all Health and Human Services Departments were moved to one central location. Rental space was secured on Charles Lindbergh Boulevard for this function. Additional rental swing spaces were required as part of the building consolidation program. As County-owned spaces are vacated swing spaces are required if the final destination is not ready for occupancy. Trailing the rents category in terms of expense is salaries. Over the past five years, departmental salary costs have fallen 4.9% while the departmental headcount has decreased 25.0%.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.
AA	Salaries	\$906,291	\$781,263	\$833,716	\$833,716	(\$72,575)	\$52,453
DD	General Expenses	258,244	174,432	209,825	209,825	(48,419)	35,393
DE	Contractual Services	103,504	103,504	103,500	103,500	(4)	(4)
93	Insurance on Bldgs	500,000	11,598	0	0	(500,000)	(11,598)
94	Rent	13,031,928	13,331,928	13,761,728	13,761,728	729,800	429,800
	<b>Total OTPS</b>	<b>13,893,676</b>	<b>13,621,462</b>	<b>14,075,053</b>	<b>14,075,053</b>	<b>181,377</b>	<b>453,591</b>
	<b>Grand Total</b>	<b>\$14,799,967</b>	<b>\$14,402,725</b>	<b>\$14,908,769</b>	<b>\$14,908,769</b>	<b>\$108,802</b>	<b>\$506,044</b>

The 2008 Executive Budget is increasing 0.7% compared to the adopted 2007 and 3.5% from OLBR’s 2007 projection. The 5.6% increase in the rent category is responsible for the 0.7% increase from the

adopted 2007. The increasing rental payments are a result of the new lease signed for the Health Department's move to 106 Charles Lindbergh Blvd. Also contributing to the rise in County rental payments is the fact that the State is now requiring the County to pay to maintain its section of the State Court building. These maintenance costs are budgeted at \$100,000. The County used to receive state aid payments as a reimbursement for these costs. That state aid has been eliminated and now the County must cover the maintenance costs in full. The building insurance costs are no longer being budgeted in the Office of Real Estate Services. Although the County is self-insured, it still purchases two crime policies and insurance for the Police Department's helicopters. The premiums for these policies is now included in the budget for the Risk Management division of the Office of Management and Budget. The contractual services funding will be used to secure property appraisals.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center		Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs Adopted 07	Variance Exec. vs Request
10	Real Estate Services	\$14,364,501	\$14,571,940	\$14,571,940	\$207,439	\$0
20	RE Services - Ordinance	435,466	336,829	336,829	(98,637)	0
<b>Total</b>		<b>\$14,799,967</b>	<b>\$14,908,769</b>	<b>\$14,908,769</b>	<b>\$108,802</b>	<b>\$0</b>

The above chart shows the office expense budget by control center. The Real Estate Services control center contains the costs for the office's union employees and all of the other expenses. Only the salaries of the ordinance employees and a general expenses line of \$2,000 are accounted for in Real Estate Services – Ordinance. The general expense budget will be used to cover traveling expenses.

**Real Estate Planning and Development  
Staffing Analysis**

		<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>							
10	Real Estate Services	6	6	6	6	0	0
20	RE Services - Ordinance	5	2	3	3	(2)	1
<b>Total Full-time</b>		<b><u>11</u></b>	<b><u>8</u></b>	<b><u>9</u></b>	<b><u>9</u></b>	<b><u>(2)</u></b>	<b><u>1</u></b>
<b>CC Part-time and Seasonal</b>							
20	RE Services - Ordinance	0	1	0	0	0	(1)

Compared to the 2007 Adopted Budget, the office's 2008 headcount is eliminating two vacant positions. However, when compared to the September 2007 actual, the headcount for the office is budgeted to increase by one full-time employee. The ordinance control center has one vacant project director position.

Historical Revenue						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Rents & Recoveries	\$8,246,159	\$8,407,760	\$9,250,495	\$8,670,194	\$8,241,901	-4.9%
Department Rev.	75,600	82,144	111,592	114,864	114,864	0.0%
Interdepart. Rev.	0	3,182,933	8,721,510	7,231,000	8,465,922	17.1%
State Aid	0	(180,601)	0	94,314	0	-100.0%
<b>Total</b>	<b>\$8,321,759</b>	<b>\$11,492,236</b>	<b>\$18,083,597</b>	<b>\$16,110,372</b>	<b>\$16,822,687</b>	<b>4.4%</b>

The chart above shows actual collected revenues by the Office of Real Estate from 2004 through 2006, a projected amount for 2007, and the proposed 2008 budget allocation. Historically rents and recoveries, from County-owned properties, has been the major source of the revenue. A large portion of this line is the rent collected at the Mitchell Field properties. A detail of these properties is located in Exhibit C on page 225. Interdepartmental revenues are received for the allocated building occupancy charges of County departments. Departmental revenue, which consists of concessions revenues at Mineola county-owned buildings, 60 Charles Lindbergh and copy concessions at the Clerk’s Office, has remained relatively flat during this period.

REVENUE BUDGET						
Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.
BF Rents & Recoveries	\$9,760,645	\$8,670,194	\$8,241,901	\$8,241,901	(\$1,518,744)	(\$428,293)
BH Dept Revenues	114,864	114,864	114,864	114,864	0	0
BJ Interdept Revenues	4,488,899	7,231,000	8,465,922	8,465,922	3,977,023	1,234,922
SA State Aid	94,314	94,314	0	0	(94,314)	(94,314)
<b>Grand Total</b>	<b>\$14,458,722</b>	<b>\$16,110,372</b>	<b>\$16,822,687</b>	<b>\$16,822,687</b>	<b>\$2,363,965</b>	<b>\$712,315</b>

The proposed 2008 Real Estate revenue budget is increasing 16.3% compared to the Adopted 2007 Budget and 4.4% from OLBR’s 2007 projection. The increase is a function of greater interdepartmental revenues. As mentioned previously, these are building occupancy charges billed to County departments. The decrease in the rents & recoveries line is primarily a result of the removal of the \$1.5 million lease payment from the Lighthouse Development Group. According to the Development Plan Agreement, if the agreement is terminated under certain circumstances, the developer may have to be reimbursed for specified expenses. If a reimbursement payment has to be made to the Lighthouse Development Group, it is capped at the amount of the options payment rents received by Nassau County. As a result, the payments to the County are accounted for as deferred revenue. Therefore, the payment is not part of the OLBR FY 07 projection and can not be included in the FY 08 operating budget.

As mentioned previously, the state aid revenue had been reimbursement for County maintenance payments made on the State owned court building. 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 following page itemizes these revenues.

Total 2008 rents and recoveries are budgeted to decrease 15.6% from the 2007 Adopted Budget. The decrease is due to the fact that the Coliseum options rental payment should not have been considered operating revenue in FY 07. The fall in coliseum utilities and concessions is also contributing to the decline in rents & recoveries revenues. Coliseum utilities are decreasing since the 2007 budget assumed that the Lighthouse Development Group would be operating the Coliseum. Once the Lighthouse Development Group lease goes through, the Lighthouse Development Group will reimburse the County in full for its actual utility usage. Until then, SMG reimburses the County for its utility usage according to a pre-set formula that only increases by the CPI.

<b>BF Rents &amp; Recoveries</b>		<b>2007</b>	<b>2008</b>	<b>Variance</b>
<b>Sub-Object</b>		<b>Adopted</b>	<b>Proposed</b>	<b>Proposed vs. Adopted</b>
707	Rent County Properties	\$345,466	\$359,930	\$14,464
716	Coliseum Utilities	2,748,074	2,009,347	(738,727)
717	Coliseum Rental	1,500,000	148,637	(1,351,363)
718	Coliseum Concessions	93,086	71,271	(21,815)
720	Rental Mitchell Field Property	5,074,019	5,652,716	578,697
<b>Total</b>		<b>\$9,760,645</b>	<b>\$8,241,901</b>	<b>(\$1,518,744)</b>

The multi-year plan incorporates two projects assigned to the Office of Real Estate Services. These are the Old Courthouse Reconstruction and 101 County Seat Drive projects. The Old Courthouse Reconstruction project provides the funding for the rebuilding of the Old Courthouse. This project is estimated to cost \$1.5 million in 2008, \$1.6 million in 2009, \$1.6 million in 2010, and \$1.6 million in 2011. The 101 County Seat Drive project includes the operational savings due to the County from selling 101 County Seat Drive. The operational savings are estimated at \$1.2 million in 2008 through 2011. They include contractual services, supply, water, electric, and gas savings.

Exhibit A, below contains an itemization of the various County rental expenditures.

<b>Nassau County Department of Real Estate Planning &amp; Development- estimated rents for 2008</b>		
<b><u>County Rent Expenses</u></b>		
Rental Location	Use Of Building	2008 Rents
Village of Hempstead (parking)	Courts, Hempstead Agencies	\$534,560
Plainview Properties	Veterans	172,739
	Taxes	141,350
24-26 Main Street- Traffic Violations	Traffic Violations	338,772
	Taxes	167,830
Hawthorn School	Police Hq	429,461
40 Main Street	Civil Service, Casa	1,069,474
	Taxes	359,209
Bellmore-Merrick School- Sr. Cit	Senior Citizens	82,617
1 Helen Keller Way- Legal Aid	Legal Aid For Indigent Defendants	328,857
435 Middleneck Road- 3rd Dist. Ct.	Court	287,601
	Taxes	35,160
60 Charles Lindberg	Health And Human Services Dept.	6,454,644
160 Old Country Road	It, Worker'S Comp	144,000
	Taxes	309,437
106 Charles Lindbergh	Health Dept	489,183
	Taxes	231,000
LIRR MTA	Right Of Way In Garden City	500
Grumman recharge basin	Easement	85,127
<b>Total Current RE Rents</b>		<b>11,661,523</b>
<b><u>NUMC Locations</u></b>		
PD		78,041
Drug & Alcohol (Bldg K)		366,539
Veterans (Bldg K)	New Lease	115,264
Medical Examiner		895,573
Fire Commission- EMS		101,458
Health Dept (WIC)		5,328
<b>Total NCMC</b>		<b>1,562,203</b>
<b><u>A Holly Patterson Locations</u></b>		
VEEB		181,348
Fire Commission- Arson Squad		256,654
<b>Total A Holly Patterson</b>		<b>438,003</b>
<b>Estimated Court Building maintainance cost to New York State</b>		<b>100,000</b>
<b>Total OO Account:</b>		<b>\$13,761,728</b>

Exhibit B below details the properties on which the County collects rent.

<b>Rent From County Property, Exhibit B</b>		
<u>Tenant Name</u>	<u>2007 Annual Rent</u>	<u>2008 Annual Rent</u>
Bell Merrick Dodge	\$6,900	\$6,900
City of Glen Cove	12	12
Civil Air Patrol	12	12
Civil Service Employees Association	28,800	28,800
Concord Drive-In Cleaners	50	50
Crestwood Country Day School	1,800	1,800
Inc.Village of Valley Stream	1	1
Keyspan- Real Estate Department	113,705	113,705
Lakeside Inn Inc.	5,440	5,626
LIRR - Real Estate Dept	100	100
Long Island Water	608	608
Massapequa Water District	7	7
Nassau Health Care Corporation	158,773	172,353
New York Water Service Corp.	5,440	5,440
Rocco J. Cambareri	300	300
Roosevelt Board of Education	200	200
Science Museum of Long Island	1	1
Sham Chitkara	36	36
Sutton & Edwards Management, LLC	600	600
Ten Washington Realty Assoc.	3,534	3,711
The Woods Knife Corp.	120	120
Village of Hempstead	12	12
Village of Mineola	12	12
Village of Russell Gardens	50	50
Village of Valley Stream	1	1
Valley Stream Volunteer Fire Department	120	120
Wantagh Fire District	1,300	1,300
Wantagh Racquet Sport	17,400	17,921
Westbury Medical	120	120
Woodcrest Club	12	12
<b>Total</b>	<b>\$345,466</b>	<b>\$359,930</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>2007 Annual Rent</b>	<b>2008 Annual Rent</b>
Atria East Associates	\$96,480	\$0
Bergwall Productions, Inc.	24,183	24,183
CB Richard Ellis	0	173,451
CLK-HP 90 Merrick LLC	0	263,860
Concept 400 Realty	120,000	120,000
Fortunoff	93,278	88,660
HPI Partners One, LLP	133,148	133,148
JP Morgan Chase Bank	119,302	127,380
Lighthouse Hotel Development	257,104	413,728
Lighthouse Hotel Development Parcel 1	94,961	106,684
Lighthouse Hotel Development Parcel 2	108,606	110,959
Lighthouse 1600, LLC	413,728	281,992
Nassau District Energy Group ( TRIGEN)	924,204	1,034,338
Oak Realty	25,240	25,240
Office Center at Mitchel Field	139,367	155,958
Reckson Assoc (HMCC)	182,500	192,005
Reckson Assoc (OMNI)	534,730	534,730
Reckson Operating Partnership	183,562	183,562
Reckson Operating Partnership	263,860	0
Reckson Operating Partnership / Plaza	728,222	728,222
Reckson Operating Partnership	155,620	0
Robert Plan Corp	62,355	62,355
Rodolitz (Quentin Roosevelt )	382,920	382,920
Rolin Realty	66,120	67,498
Sunrise Senior Living Services	70,035	70,035
Treeline 990 Stewart LLC	0	97,496
United Parcel Services	274,313	274,313
<b>Total</b>	<b>\$5,453,838</b>	<b>\$5,652,716</b>

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

## 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. The office is under the supervision of the County Clerk.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	9	9	9	8	13	63%
Salaries	\$529,607	\$598,320	\$563,112	\$616,404	\$848,798	37.7%
Misc OTPS	57,532	30,460	70,535	200,365	239,000	19.3%
Contractual Services	157,000	100,000	71,000	125,000	135,000	8.0%
<b>Total</b>	<b>\$744,139</b>	<b>\$728,780</b>	<b>\$704,647</b>	<b>\$941,769</b>	<b>\$1,222,798</b>	<b>29.8%</b>

The office's headcount level was unchanged from 2004 to 2006. The office headcount decreased in 2007 and is budgeted to increase in 2008. From a five year perspective, total expenditures for the office have grown 64.3%. Increases in the salary and miscellaneous OTPS lines have resulted in the overall expenditure growth. The contractual services line has actually decreased 14.0% over the past five years. The salary line has grown to accommodate CSEA steps and COLA's as well as terminal leave payments.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$754,076	\$616,404	\$868,798	\$848,798	\$94,722	\$232,394
BB	Equipment	47,600	37,600	50,000	50,000	2,400	12,400
DD	General Expenses	172,765	162,765	189,000	189,000	16,235	26,235
DE	Contractual Services	135,000	125,000	135,000	135,000	0	10,000
	<b>Total OTPS</b>	<b>355,365</b>	<b>325,365</b>	<b>374,000</b>	<b>374,000</b>	<b>18,635</b>	<b>48,635</b>
HF	Inter-Depart Charges	213,939	213,939	461,180	461,180	247,241	247,241
	<b>Grand Total</b>	<b>\$1,323,380</b>	<b>\$1,155,708</b>	<b>\$1,703,978</b>	<b>\$1,683,978</b>	<b>\$360,598</b>	<b>\$528,270</b>



The chart on the prior page details Records Management expenses by object class. The total expense budget is increasing 27.2% from the 2007 budget and 45.7% from OLBR's 2007 projection. With the exception of contractual services, all expense lines are increasing both from 2007 budget and projection. The contractual services line is being frozen at its 2007 level. The greatest increase is in the interdepartmental charges. Within the interdepartmental charges, it is the 287.7% increase in building occupancy charges which is causing the expense line to increase 115.6%. Trailing interdepartmental charges in terms of budget to budget increases is the salary line. The salary line is increasing to enable the hiring of five additional full-time employees, CSEA steps and COLAs and terminal leave payments.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Interdepartmental Rev.	1,003,053	353,043	87,924	217,681	217,681	0.0%

The chart above shows revenues realized by the Office from FY 04 to FY 06, a projection for FY 07 and the FY 08 budgeted amount. During that period inter-departmental revenues have been the only revenue. This revenue source has decreased 78.3% over the past five years. The Office charges back other County departments for records management services.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BJ Interdepart Revenues	\$217,681	\$217,681	\$217,681	\$217,681	\$0	\$0

The proposed 2008 budget would freeze interdepartmental revenues at their 2007 level. Interdepartmental revenues reimburse 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. These interdepartmental charges are paid by the Department of Health (\$194,833), Purchasing Department (\$19,382), and the Mental Health, Chemical Dependency & Developmental Disabilities Services Department (\$3,466).

<b>Office of Records Management Staffing Analysis</b>						
	<b>FY 07 Adopted</b>	<b>Sept-07 Actual</b>	<b>FY 08 Request</b>	<b>FY 08 Executive</b>	<b>Exec. vs 07 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	13	8	13	13	0	5
Part-time and Seasonal	21	10	21	21	0	11

Proposed 2008 staffing levels are remaining at their adopted 2007 budgeted amount. Compared to their current actual, the Office has five vacant full-time positions and 11 vacant part-time and seasonal positions. The vacant full-time positions are Clerk Laborer, Archivist, Labor Supervisor I, and Photo Machine Operator I. The vacant part-time and seasonal positions are Clerk I Seasonal and Clerk I Part-time.

Records Management is experiencing several technical difficulties in regards to storage. The space available at the former King Kullen warehouse is currently at capacity and does not provide the proper environment for records storage. The Office has put in a submission for a capital project to fund several new initiatives to remedy the situation. The Office plans to install new high density shelving to accommodate the increasing number of documents stored in the records center. To correct the environmental problems the Office plans to install and maintain a proper heating system, ventilating system, air conditioning system, and humidity controls. New water and fire detections systems will also be installed to meet New York State requirements for archiving, storage and protection of documents.

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**RESERVES**


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<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fines & Forfeits	\$3,250	\$3,100	\$0	\$0	\$0	*****
Rents & Recoveries	2,315,912	4,738,776	6,744,999	12,500,000	12,500,000	0.0%
<b>Total</b>	<b>\$2,319,162</b>	<b>\$4,741,876</b>	<b>\$6,744,999</b>	<b>\$12,500,000</b>	<b>\$12,500,000</b>	<b>0.0%</b>

The chart above shows revenues credited to Reserves since FY 04, with a projected amount for FY 07. The \$12.5 million in the FY 07 projection and the FY 08 Executive Budget for rents and recoveries would appear to be significantly higher than the amounts actually credited to Reserves. That is due to the fact that many of the General Fund departments receive rents and recoveries revenue for the disencumbrance of prior year appropriations that is either in excess of the budget line, or without having budgeted for it at all. The revenue recognized in those departments that have no budget for prior year recoveries is generally swept into Reserves. In FY 06 there was \$14.0 million budgeted throughout the General Fund, and \$16.2 million was received.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. Vs FY 07 Proj.</b>
BF Rents and Recoveries	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$0	\$0

The FY 08 revenue scheduled in Reserves for rents and recoveries is derived from the disencumbrance of prior year appropriations by various departments. The proposed amount of \$12.5 million is unchanged from the current year. There are no expenses budgeted.

SENIOR CITIZEN AFFAIRS

The Department of Senior Citizen Affairs serves the needs of over 250,000 older County residents and their caregivers through a variety of programs, activities, services and information. These services support senior citizens in their efforts to remain healthy, active and independent members of the community and ensure the highest quality of life for both active and health-impaired seniors. The department is the principal funding agency for over 90 programs including areas such as health, employment, legal services, volunteerism, home care, transportation, nutrition, and housing.

<b>Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	35	36	36	34	39	14.7%
Salaries	\$2,137,228	\$2,223,465	\$2,288,374	\$2,314,612	\$2,682,736	15.9%
Misc OTPS	26,813	25,097	52,344	65,223	54,051	-17.1%
Inter-depart charges	111,782	567,038	1,087,061	1,409,672	1,458,410	3.5%
Contractual Services	10,731,282	11,654,103	14,665,429	14,635,303	14,159,649	-3.3%
<b>Total</b>	<b>\$13,007,105</b>	<b>\$14,469,703</b>	<b>\$18,093,208</b>	<b>\$18,424,810</b>	<b>\$18,354,846</b>	<b>-0.4%</b>

FY 08 is in line with trend data in all expense categories. Overall, salaries have increased at a pace to match full-time headcount and COLA increases. The precipitous jump in FY 06 inter-departmental charges reflects increased building occupancy charges from the department’s move from 1550 Franklin Avenue to 60 Charles Lindberg Boulevard. Historically contractual services has increased due to additional funding from the State for Extended In-Home Services for the Elderly (EISEP). The State continues to increase funding to the County through the EISEP program in 2008 in the amount of \$176,457 more than last year. On average, contractual services has accounted for 80% of expenditures since FY 04.

The following chart represents recent performance measures demonstrated by the department.

<b>Performance Measures</b>				
<b>Performance Measure</b>	<b>06 Actual</b>	<b>07 Target</b>	<b>07 Projection</b>	<b>08 Target</b>
Meals served in senior centers	246,373	250,000	235,000	232,000
Home delivered meals	506,268	520,000	512,000	510,000
Door to door transportation - one way trips	207,497	179,400	182,000	185,000
Hours of adult day care service	81,500	N/A	75,000	75,000
Hours of case management services	29,870	N/A	28,000	28,000
Hours of home care services	195,100	N/A	180,000	172,000

Senior Citizen Affairs' aggregate expense budget of \$18.4 million, as shown in the following chart, reflects a net increase of \$157,216 or 0.9% from the FY 07 adopted budget. Overall, OTPS has decreased by \$24,328, offset by an increase in inter-departmental charges of \$48,738. Contractual services, the largest category in Senior Citizen Affairs' expense budget amounts to \$14.2 million accounting for 77.1% of the total proposed 2008 budget. Compared to last year the department will be spending less than 0.05% fewer dollars on contractual services, including a \$275,000 carryover in recurring Legislative enhancement contractual funds initially provided in FY 06. Also accounting for the approximate 0.2% drop in OTPS, equipment and general expenses are being reduced by a negligible \$761 in the former, and \$16,663 in the latter.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$2,549,930	\$2,314,612	\$2,682,736	\$2,682,736	\$132,806	\$368,124
BB	Equipment	5,712	5,212	4,951	4,951	(761)	(261)
DD	General Expenses	65,763	60,011	49,100	49,100	(16,663)	(10,911)
DE	Contractual Services	14,166,553	14,635,303	14,159,649	14,159,649	(6,904)	(475,654)
	<b>Total OTPS</b>	<b>14,238,028</b>	<b>14,700,526</b>	<b>14,213,700</b>	<b>14,213,700</b>	<b>(24,328)</b>	<b>(486,826)</b>
HF	Inter-Depart Charges	1,409,672	1,409,672	1,458,410	1,458,410	48,738	48,738
	<b>Grand Total</b>	<b>\$18,197,630</b>	<b>\$18,424,810</b>	<b>\$18,354,846</b>	<b>\$18,354,846</b>	<b>\$157,216</b>	<b>(\$69,964)</b>

Salaries will increase marginally, by \$132,806 or approximately 5.21% in 2008. This amount reflects anticipated CSEA negotiated staff salary increases, the addition of two entry level staff for Point of Entry Nassau NY Connects Program (new program), and one new staff person for EISEP, and some promotions. From 2003 to 2008, contracts have increased by approximately 35%. Adequate staff is required to provide technical assistance to contracted vendors and program monitoring.

General expenses has been reduced from FY 07 by \$16,663, due for the most part to decreased spending in FY 08 on postage, insurance premiums, and educational and training supplies. Decreased expenses are offset by greater traveling expenses and funding for miscellaneous supplies and expenses, such as maintenance and repair of major appliances and two chair lifts in senior centers. Travel expenses have increased as the result of greater travel requirements for New York State Office for the Aging (NYSOFA) trainings.

The Administration has allocated approximately \$1.5 million for services performed on behalf of the Department of Senior Citizen Affairs by other County departments. The resultant \$48,738 differential in inter-department costs in FY 08 when compared to last year, or a 3.46% hike, includes increases of \$141,128 in building occupancy charges, \$9,617 for purchasing charges, \$2,700 in gasoline costs, \$2,240 in fleet maintenance charges and \$12,746 in information technology costs above last year. On

the other hand, costs have decreased by \$40,643 for printing graphics and mail services, \$2,739 in workers compensation expenses and \$76,311 for telecommunication charges. The line for indirect charges will remain flat.

Illustrated in the following chart, the Department of Senior Citizen Affairs contains ten control centers that are directly related to state and federally funded programs, including the Senior Citizen Affairs (CC 10). The department receives its State funding from NYSOFA based on several criteria specific to program functions. The Older American Act, which was originally signed into law by President Lyndon B. Johnson on July 14, 1965 created the Administration on Aging, authorizing grants to states for community planning and services programs, as well as for research, demonstration and training projects in the field of aging. NYSOFA funding enables the department to provide financial and programmatic support to non-profit agencies in the following areas of service for Title III (Grants for State and Community Programs on Aging) categories: Title III-B Support Services, Title IIIC Nutrition Services, Title III-D Health Promotion and Disease Prevention, Title III-E Caregiver Support Services and Title III-B-Ombudsman Program, which provides advocacy for long term care residents in long term care facilities.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 07 Budget</b>	<b>Departmental Request FY 08</b>	<b>Executive FY 08</b>	<b>Variance Exec. vs FY 07</b>	<b>Variance Exec. vs Request</b>	
10 Senior Citizens Affairs	\$4,372,456	\$4,356,454	\$4,356,454	(\$16,002)	\$0	
20 Com. Svcs for Elderly	1,395,837	1,120,836	1,120,836	(275,001)	0	
30 Nutrition Program	3,902,387	4,238,599	4,238,599	336,212	0	
35 Sr. Citizens Comm. Ctr.	92,485	96,931	96,931	4,446	0	
40 Area Agency Title III - B	2,047,403	1,996,869	1,996,869	(50,534)	0	
50 Foster Grandparents	4,369	0	0	(4,369)	0	
60 Extend. In-Home Svcs.	4,532,663	4,709,120	4,709,120	176,457	0	
65 SNAP (Nutrition Program)	783,402	768,159	768,159	(15,243)	0	
66 Title IIID/Health Promotion	102,000	109,500	109,500	7,500	0	
67 Title IIIE/(Care Givers)	964,628	958,378	958,378	(6,250)	0	
<b>Total</b>	<b>\$18,197,630</b>	<b>\$18,354,846</b>	<b>\$18,354,846</b>	<b>\$157,216</b>	<b>\$0</b>	

Although the budget structure has been changed, funds have been held constant for all programs, including the \$275,000 in funding provided by the Legislature. For FY 08, the programs have been kept whole, including the use of carry over funds from prior years. Final determination on contracts for FY 08 has not been made. As of the date of this report, the department has reported that the staff is still analyzing service units, costs, etc. prior to final allocations. Variances are projected to be very small.

The proposed FY 08 budgeted headcount for the Department of Senior Citizen Affairs is decreasing by one full-time position from the FY 07 adopted budget. The salary line is sufficient to cover the costs of

these full-time employees and 8 budgeted part-time employees. As mentioned above, the department will be hiring two entry level staff for Point of Entry Nassau NY Connects Program (new program), and one new staff person for EISEP. The Administration has approved three new FT positions for Long Term Care (LTC) and replacements for the Retired and Senior Volunteer Program (RSVP) and Foster Grandparents Program (FGP) program coordinators who separated from service. As also mentioned above, due to the 35% increase in funding in contracts for LTC services from 2003 to 2008, adequate staff is required to provide technical assistance to contracted vendors and monitor the programs.

<b>Department of Senior Citizen Affairs Staffing Analysis</b>						
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	40	34	39	39	(1)	5
Part-time Staffing and Seasonal	8	7	8	8	0	1

For the most part, historical revenues since FY 04 have increased due primarily to increased State aid, albeit a slight decrease in FY 08. Greater inter-departmental revenue over the past few years 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. DSS then claims reimbursement for these services. By expensing Information & Referral services through DSS, rather than through Senior Citizen Affairs, 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.

<b>Historical Revenue</b>						
	<b><u>FY 04 Actual</u></b>	<b><u>FY 05 Actual</u></b>	<b><u>FY 06 Actual</u></b>	<b><u>FY 07 Projected</u></b>	<b><u>FY 08 Exec.</u></b>	<b><u>% Change Proj./Exec.</u></b>
Fund Balance	\$0	\$0	\$0	\$200,000	\$0	-100.0%
Department Revenues	15,048	15,029	15,450	15,456	15,456	0.0%
Rents & Recoveries	122,055	189,928	52,239	0	0	*****
Interdepartmental Rev.	0	0	382,639	390,000	508,500	30.4%
Interfund Charge	0	0	0	115,971	227,358	96.0%
Federal Aid	5,089,399	4,884,876	5,239,113	5,048,559	4,980,715	-1.3%
State Aid	3,816,575	3,986,166	5,883,624	6,246,358	6,063,226	-2.9%
<b>Total</b>	<b>\$9,043,077</b>	<b>\$9,075,999</b>	<b>\$11,573,065</b>	<b>\$12,016,344</b>	<b>\$11,795,255</b>	<b>-1.8%</b>

The department will receive approximately \$11.0 million, or 93.6% of its total budgeted revenue from Federal and State agencies for program planning, administration and operations. The aggregate revenue budget for the department in FY 08 is increasing by \$252,024, or 2.18% from FY 07. An increase of 4.94% in State aid from the FY 07 budget and an additional \$111,387 in interfund charges explain the

growth in budgeted revenues. Decreases include \$63,481 in Federal Aid, and \$200,000 in fund balance from FY 2007.

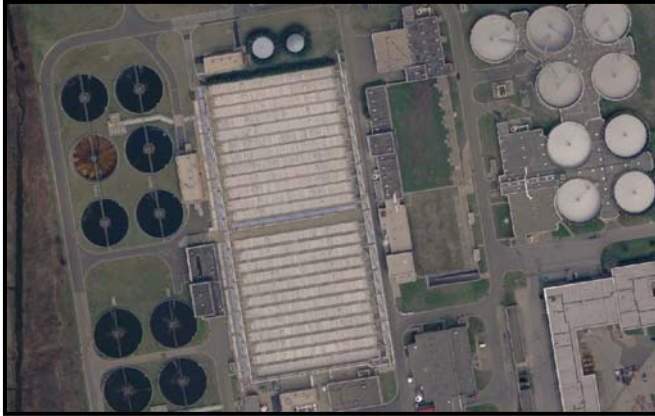
Department revenues have remained flat at \$15,456 to cover the annual luncheon conference that the department holds every May. The annual luncheon/conference sponsored by the department consists of a series of workshops directed toward senior citizen concerns. Although the event does generate revenue 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 increase in inter-departmental revenue from FY 07 through FY 08 is due to additional revenue that the department receives through an interdepartmental service agreement with DSS.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
AA Fund Balance - BOY	\$200,000	\$200,000	\$0	\$0	(\$200,000)	(\$200,000)
BH Department Revenues	\$15,456	\$15,456	\$15,456	\$15,456	\$0	\$0
BJ Inter-depart Revenues	390,000	390,000	508,500	508,500	118,500	118,500
BW Interfund Charges	115,971	115,971	227,358	227,358	111,387	111,387
FA Federal Aid - Reimb	5,044,196	5,048,559	4,980,715	4,980,715	(63,481)	(67,844)
SA State Aid - Reimb.	5,777,608	6,246,358	6,063,226	6,063,226	285,618	(183,132)
<b>Grand Total</b>	<b>\$11,543,231</b>	<b>\$12,016,344</b>	<b>\$11,795,255</b>	<b>\$11,795,255</b>	<b>\$252,024</b>	<b>(\$221,089)</b>



SEWER AND STORM WATER RESOURCE DISTRICT  
SEWER AND STORM WATER FINANCE AUTHORITY

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The Nassau County Sewer and Storm Water Finance Authority (the “Authority”) and a consolidated County-Wide Sewer & Storm Water Resource District (the “District”) were established in 2003 to work collectively to carry out the County’s sewer and storm water functions in a fiscally prudent and efficient manner. The Authority serves as a monetary instrument only, whose role is to refinance outstanding sewer and storm water resources debt issued by the County and to finance future County sewer and storm water resources projects within a \$350 million cap.

In 2004, the County and the Authority entered into a Financing Agreement setting forth the financial relationships of the entities.

A single District replaced 27 collection and 3 disposal districts. All of the rights, privileges, duties, responsibilities, and obligations of these collection and disposal districts were placed solely under the purview of the newly formed District. In addition, at the time of enactment all funds remaining in the prior districts were transferred to the Authority for capital needs, debt service and reserves.

As part of the 2003 legislation, the County implemented a rate stabilization program with the following assessment/zone requirements:

1. No increase from the sewer tax levy set in 2003 until 2007.
2. The County would transition to three zones of assessment by 2014 including
  - one County-wide assessment zone for storm water services,
  - one zone of assessment for sewage collection and sewage disposal, and
  - one sewage disposal only assessment zone.
3. No separate assessment for storm water resources during the rate stabilization transition period.
4. Taxes will be sent to the Town Receivers of Taxes and then directed to a trustee to ensure payment of Authority bonds.

The process of rate stabilization or harmonization has already begun County-wide. As of the date of this report, the sewer tax rates of 20 of the 27 tax collection districts have already been lowered.

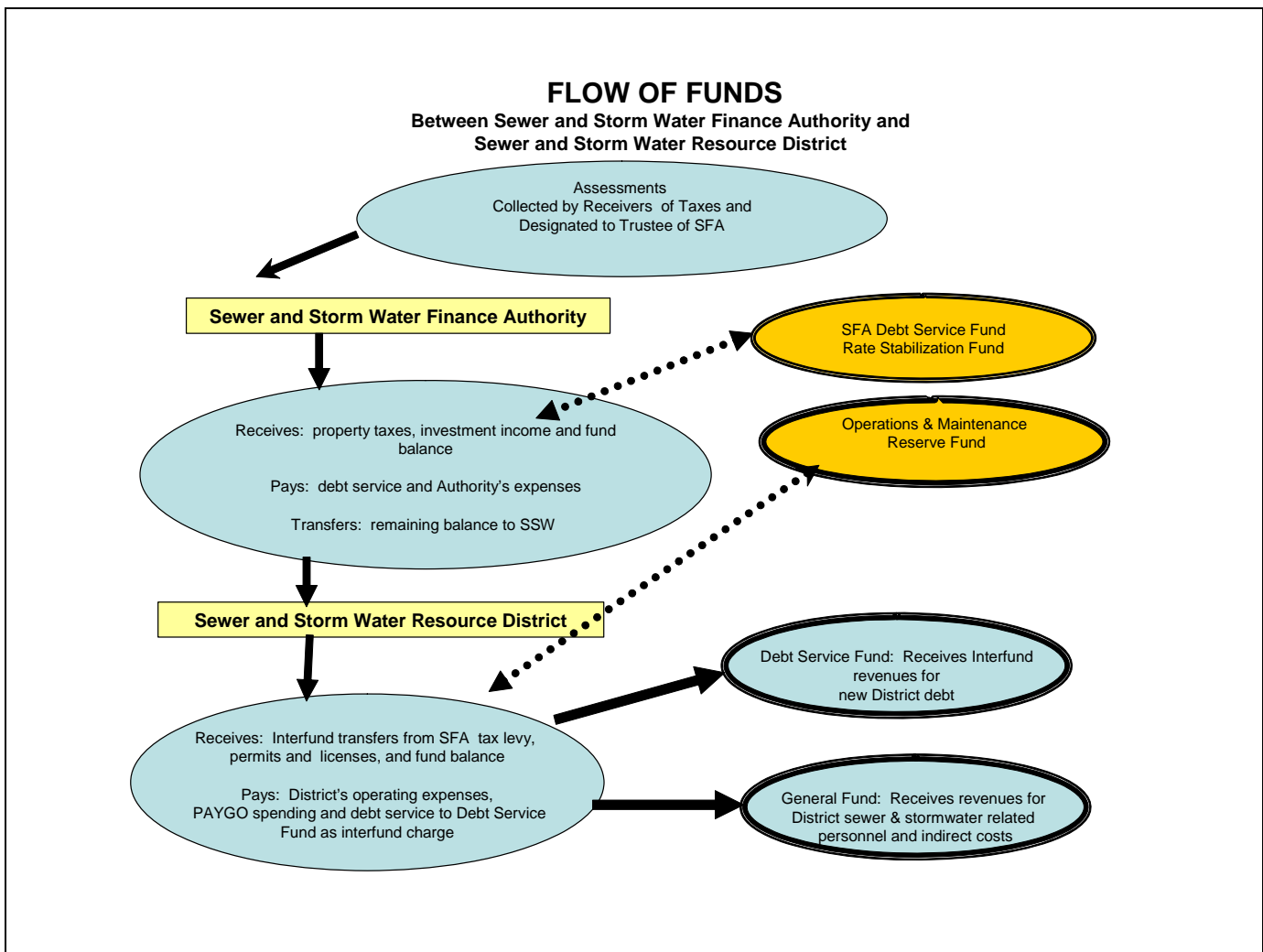
**Flow of Funds:**

As shown in the Flow of Funds chart below, the Financing Agreement dated March 2004 established a flow of funds between the Authority and the District. As mentioned above, sewer tax assessments are collected and designated to a trustee by the Receiver of Taxes. The taxes flow to the Authority to first

settle all of its financing obligations for debt service and operating expenses. In addition to property taxes, the Authority also earns investment income on reserve balances.

The Authority retains the required amount needed to settle obligations and then transfers the balance to the District. The District appropriates the amounts needed to settle its operating expenses and capital pay as you go spending. These amounts are categorized as interfund transfers (IF) from the Authority's tax levy, permits and licenses, and fund balance. Related interfund revenues are booked to General Fund unallocated charges revenue (BW).

Reserve funds established under the Authority include the debt service fund and the Rate-Stabilization Reserve Fund. Both funds are held in trust by the Trustee until needed. The restriction that the Rate Stabilization Reserve Fund does not fall below \$7.0 million expired last year. However, no funds have been appropriated from the stabilization fund in the FY 08 budget. The debt service fund includes a separate account for each series of bonds. There are no requirement limits set for the debt service reserve fund.



The Authority has issued two series of revenue bonds to date. The first issuance occurred on March 1, 2004 of \$54.2 million Series A Bonds. The second issuance occurred October 1, 2004 and included \$27.4 million in aggregate principle of 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 payment. These issues have been used for the restructuring of debt.

In 2006, the Board 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. Subsequently the Authority 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.

The commercial paper program is limited to \$85.0 million. When the limit is reached the Authority will refund the commercial paper program with long term bonds and start over again. As of August 31, 2007, \$63.1 million in commercial paper remain outstanding. The Authority has assumed an interest rate of 5.25% in its calculation of variable rate debt. The Finance Agreement covenants that when budgeting for debt service on variable rate debt, for every year after 2007, the County will assume an interest rate 150 basis points higher than the interest rate currently in effect to cover possible risk. Through the current date the Authority has issued approx. \$144.6 million of debt.

The County established an Operations and Maintenance Reserve Fund (O&M Fund) for the District, funded in an amount equal to 25% of the District's operating expense budgeted for the year. The O&M Fund is not considered as available for operating expenses. However, according to the Financing Agreement, monies in the O&M Fund may be used to fund debt service. The District's FY 08 budget appropriates \$20.7 million to pay 2008 debt service costs out of the O&M reserve fund. The Administration further recommends appropriating \$53.2 million from the District's fund balance to partially offset the \$15.0 million reduction in property taxes, for those County residents who pay sewer taxes.

According to the status of reserves and fund balance report provided by the Office of Management and Budget, as of September 14, 2007, the District maintains a fund balance in the amount of \$85.2 million, net of the O&M Reserve Fund. The MYP forecasts an operating deficit in FY 2009-2011, to be offset by gap closing measures. These include the transfer of unused O&M reserves to fund balance, grant recoveries, debt restructuring, operational efficiencies and fund balance.

**FY 2008 Budget - Sewer and Storm Water Finance Authority:**

<b>Sewer &amp; Storm Water Financing Authority Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Misc OTPS	\$105,115	\$320,359	\$516,165	\$0	\$0	*****
Contractual Services	0	0	0	1,000,000	1,000,000	0.0%
Interest	0	1,336,975	2,433,081	5,420,413	4,949,550	-8.7%
Principal	0	2,975,000	0	3,225,000	3,295,000	2.2%
Transfer Out to SSW	150,967,675	182,009,307	187,671,419	135,845,179	116,187,759	-14.5%
Expense of Loans	302,175	157,843	108,967	0	0	*****
Rate Pay Protection Plan	0	0	0	7,000,000	0	-100.0%
<b>Total</b>	<b>\$151,374,965</b>	<b>\$186,799,484</b>	<b>\$190,729,632</b>	<b>\$152,490,592</b>	<b>\$125,432,309</b>	<b>-17.7%</b>

The chart above displays historical expenditures from FY 04 to the proposed FY 08 budget. Since FY 04, debt service has increased as the Authority restructures maturing principal and interest of debt issued by the County for sewer and storm water projects prior to the creation of the Authority and as the Authority issues more debt for future capital expenditures. The transfer out to the District includes the funds left over after the Authority absorbs operating expenses and debt service. This transfer amount has varied from FY 04 to FY 08.

<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 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
DE	Contractual Services	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0
LZ	Transfer Out to SSW	135,845,179	135,845,179	116,187,759	116,187,759	(19,657,420)	(19,657,420)
31	Rate Payer Protection	7,000,000	7,000,000	0	0	(7,000,000)	(7,000,000)
	<b>Total OTPS</b>	<b>143,845,179</b>	<b>143,845,179</b>	<b>117,187,759</b>	<b>117,187,759</b>	<b>(26,657,420)</b>	<b>(26,657,420)</b>
FF	Interest	5,420,413	5,420,413	4,949,550	4,949,550	(470,863)	(470,863)
GG	Principal	3,225,000	3,225,000	3,295,000	3,295,000	70,000	70,000
	<b>Total Debt Service</b>	<b>8,645,413</b>	<b>8,645,413</b>	<b>8,244,550</b>	<b>8,244,550</b>	<b>(400,863)</b>	<b>(400,863)</b>
	<b>Grand Total</b>	<b>\$152,490,592</b>	<b>\$152,490,592</b>	<b>\$125,432,309</b>	<b>\$125,432,309</b>	<b>(\$27,058,283)</b>	<b>(\$27,058,283)</b>

The above chart reflects the expenditure budget for the Authority. The biggest component is the \$116.2 million being transferred out to the District. As stated previously, the transfer of funds represents the excess property taxes plus any existing fund balance. The remaining balance is transferred to the District for annual operating expenses. This amount has been reduced by \$19.7 million in FY 08 from \$135.8 million in FY 07.

**SEWER AND STORM WATER DISTRICT**

Contractual services in the amount of \$1.0 million in FY 08 remained flat over the year. These costs represent fees for letters of credit, rate agency fees, audit fees and miscellaneous fees. Debt service of \$8.2 million has been budgeted in FY 08, which represents a slight increase of \$70,000 in principal, along with a decrease in interest of \$470,863.

<b>Sewer and StormWater Financing Authority Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fund Balance	\$0	\$0	\$0	\$32,583,161	\$21,000,000	-35.5%
Capital Proceeds	86,373,269	8,520,000	0	0	0	*****
Investment Income	279,494	3,646,737	779,318	975,122	500,000	-48.7%
Debt Svc from Capital	0	32,574,733	0	0	0	*****
Interfund transfers	130,140,374	0	138,668,240	0	0	*****
Property Tax	0	138,942,582	0	118,932,309	103,932,309	-12.6%
<b>Total</b>	<b>\$216,793,137</b>	<b>\$183,684,052</b>	<b>\$139,447,558</b>	<b>\$152,490,592</b>	<b>\$125,432,309</b>	<b>-17.7%</b>

Revenue collected by the Authority from FY 04 to FY 08 is portrayed in the above historical revenue chart. The lowered revenue generated in FY 08 is due to a reduction in the property tax levy from FY 2007 by \$15.0 million and a reduced fund balance. This reduction exemplifies the County's implementation of the rate stabilization plan to harmonize sewer tax levies County-wide by 2013. The historical trend suggests greater use of fund balance, as the property tax has declined.

<b>SEWER &amp; STORM WATER FINANCE AUTHORITY</b>						
<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY07 Budget</b>	<b>OLBR FY07 Projection</b>	<b>FY08 Dept. Request</b>	<b>FY08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY07 Proj.</b>
AA Fund Balance - BOY	\$32,583,161	\$32,583,161	\$21,000,000	\$21,000,000	(\$11,583,161)	(\$11,583,161)
BE Investment Income	975,122	975,122	500,000	500,000	(475,122)	(475,122)
TL Property Tax	118,932,309	118,932,309	103,932,309	103,932,309	(15,000,000)	(15,000,000)
<b>Grand Total</b>	<b>\$152,490,592</b>	<b>\$152,490,592</b>	<b>\$125,432,309</b>	<b>\$125,432,309</b>	<b>(\$27,058,283)</b>	<b>(\$27,058,283)</b>

The FY 08 revenue budget for the Authority includes property taxes, investment income and fund balance. At the Authority's creation the rate stabilization program required the tax rate to remain unchanged until 2007. For FY 08, property taxes are reduced by \$15.0 million from \$118.9 million in FY 07 to \$103.9 million. The Administration plans to appropriate \$21.0 million of accumulated fund balance.

<b>Sewer and Storm Water Financing Authority</b>				
<b>MultiYear Plan</b>				
	<u>2008 Budget</u>	<u>2009 Plan</u>	<u>2010 Plan</u>	<u>2011 Plan</u>
<b><u>EXPENSE</u></b>				
<b>Expense Total</b>	<b>125,432,309</b>	<b>104,432,309</b>	<b>104,432,309</b>	<b>104,470,280</b>
<b><u>REVENUE</u></b>				
Property Tax	103,932,309	103,932,309	103,932,309	103,932,309
Fund Balance	21,000,000	0	0	0
Inv. Income	500,000	500,000	500,000	500,000
<b>Revenue Total</b>	<b>\$125,432,309</b>	<b>\$104,432,309</b>	<b>\$104,432,309</b>	<b>\$104,432,309</b>

The table above demonstrates the Administration’s baseline for the MYP for Authority expenditures will decline from \$125.4 million in FY 08 to \$104.4 million in FY 11. There is no use of fund balance projected for years 2009 through 2011. After FY 08 revenues remain constant at \$104.4 million through FY 11.

**FY 2008 Budget – Sewer and Storm Water Resource District:**

The decrease in FY 05 expenditures from FY 04 results mostly from the removal of the rate payer protection plan from the District. The increase in the FY 08 budget is due mostly from higher utility costs and greater capital debt service charges, classified as interfund charges. Salaries and fringe expenses have steadily risen over the past few years.

<b>Sewer &amp; Storm Water Resource District Historical Expenditures</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	297	296	288	290	348	20.0%
Salaries	\$18,542,855	\$19,429,987	\$19,524,869	\$19,942,829	\$23,004,329	15.4%
Fringe	8,049,513	8,440,170	8,598,431	9,431,852	10,131,191	7.4%
Misc OTPS	7,748,969	8,546,316	9,135,815	11,780,534	13,710,972	16.4%
Contractual Services	20,340,797	20,479,418	18,587,983	23,701,025	18,216,600	-23.1%
Utility Costs	9,687,436	12,079,046	12,951,091	12,000,000	14,392,047	19.9%
Interest	14,725,507	12,001,496	11,005,402	13,335,240	14,909,157	11.8%
Principal	26,057,584	17,039,197	31,479,359	30,217,301	30,991,315	2.6%
Interfund Charges	28,827,153	43,929,405	26,267,052	27,371,004	32,175,846	17.6%
Rate Payer Protection	73,969,764	0	0	0	0	*****
Ops and Maint Reserve	0	0	0	18,744,009	20,174,744	7.6%
General Reserves	0	0	0	324,340	0	-100.0%
NIFA Set-Asides	0	0	165,769	0	0	*****
Other Suits & Damages	0	172,562	0	500,000	500,000	0.0%
<b>Total</b>	<b>\$207,949,578</b>	<b>\$142,117,597</b>	<b>\$137,715,771</b>	<b>\$167,348,134</b>	<b>\$178,206,201</b>	<b>6.5%</b>

Increased fringe expenses are the result of increased health insurance costs and pension contribution costs. Historically utility costs have increased due to rising energy consumption and electricity costs.

<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 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$23,823,370	\$19,942,829	\$23,004,329	\$23,004,329	(\$819,041)	\$3,061,500
AB	Fringe Benefits	10,660,108	9,431,852	10,272,957	10,131,191	(528,917)	699,339
	<b>Total PS</b>	<b>34,483,478</b>	<b>29,374,681</b>	<b>33,277,286</b>	<b>33,135,520</b>	<b>(1,347,958)</b>	<b>3,760,839</b>
BB	Equipment	728,350	728,350	777,350	777,350	49,000	49,000
DD	General Expenses	11,052,184	11,052,184	12,933,622	12,933,622	1,881,438	1,881,438
DE	Contractual Services	23,712,025	23,701,025	18,216,600	18,216,600	(5,495,425)	(5,484,425)
DF	Utility Costs	12,000,000	12,000,000	15,106,966	14,392,047	2,392,047	2,392,047
HH	Interfund Charges	27,371,004	27,371,004	31,460,927	32,175,846	4,804,842	4,804,842
32	Ops & Maint. Reserve	18,744,009	18,744,009	20,174,744	20,174,744	1,430,735	1,430,735
33	General Reserves	324,340	324,340	0	0	(324,340)	(324,340)
87	Other Suits & Damages	500,000	500,000	500,000	500,000	0	0
	<b>Total OTPS</b>	<b>94,431,912</b>	<b>94,420,912</b>	<b>99,170,209</b>	<b>99,170,209</b>	<b>4,738,297</b>	<b>4,749,297</b>
FF	Interest	13,335,240	13,335,240	14,909,157	14,909,157	1,573,917	1,573,917
GG	Principal	30,217,301	30,217,301	30,991,315	30,991,315	774,014	774,014
	<b>Total Debt Service</b>	<b>43,552,541</b>	<b>43,552,541</b>	<b>45,900,472</b>	<b>45,900,472</b>	<b>2,347,931</b>	<b>2,347,931</b>
	<b>Grand Total</b>	<b>\$172,467,931</b>	<b>\$167,348,134</b>	<b>\$178,347,967</b>	<b>\$178,206,201</b>	<b>\$5,738,270</b>	<b>\$10,858,067</b>

The aggregate FY 08 expense budget, as shown above, is increasing by \$5.7 million from \$172.5 million in FY 07. This is due to increases in general expenses, utility costs, interfund charges and a \$1.4 million appropriation from the operations and maintenance reserve, offset by decreases in salaries, fringe costs, contractual services and general reserves.

Personal services, budgeted at \$33.1 million in FY 08, are decreasing by \$1.3 million or 4.0% from \$34.5 million in FY 07 Adopted Budget. However, when compared to projected FY 07, personnel costs are increasing by 12.8%. These expenses are for sewer related personnel costs and do not include salaries that are charged back to the General Fund for Public Works employees who are assigned to storm water functions. Since 2003, on average, approximately 60 vacant positions continue to be budgeted, even though actual headcount has remained on average, at 298 over this period. The significant number of vacant positions has been an ongoing issue for DPW in general and the District specifically.

OTPS is increasing in FY 08 by \$4.7 million from \$94.4 million in FY 07 due to increased general expenses, utility costs, interfund charges and appropriation to the O&M Reserve Fund. As mentioned

above, 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 08, the line for interfund charges is increasing by \$4.8 million, to \$32.2 million. These charges account for the costs incurred on behalf of the District storm water services. Of this amount, \$21.2 million are charges to the General Fund for allocation of costs related to payroll, debt service and other indirect expenses. There is \$700,000 budgeted for worker compensation costs. Finally \$10.9 million has been included for debt service on sewer and storm water capital projects. In addition, the General Fund charges the District for storm water related personnel costs and indirect costs, reflected as an interfund charge. The General Fund shows the actual expenses in the following control centers located in the Department of Public Works: Engineering (water/wastewater engineering, groundwater remediation and sewer construction) and Operations (drain and storm water maintenance and mosquito control).

The line for general expenses is increasing by 17.0%, or nearly \$1.9 million in FY 08 to \$13.0 million in FY 08. The general expenses budget also includes a considerable 184% increase for gasoline costs from \$248,000 in FY 07 to \$705,000, budgeted for FY 08. The general expenses line further reflects significant decreases in equipment maintenance and rentals, clothing and uniform supplies, and sewage and drainage supplies, offset by increases in miscellaneous supplies and expenses information technology and supplies and building supplies and maintenance. We have been informed by the department that there is no longer a separate code for sewage chemicals, and other expenses, which is now allocated as "miscellaneous supplies and expenses".

Contractual services are decreasing by \$5.5 million to \$18.2 million in FY 08. Of this amount \$11.5 million has been budgeted for sludge disposal and \$6.2 million on miscellaneous contractual services, which is close to 50% less than was budgeted last year. Utility costs are growing by 20% to \$14.4 million in FY 08. The budget reflects an increase in debt service of \$2.3 million, from \$44.0 million in FY 07 to \$45.9 million in FY 08. Debt service is comprised of a \$1.6 increase in interest (12.0%) on bonded debt and a \$774,014 rise (2.5%) in principal. The debt service interest and principal are paid out of the Debt Service Fund. The transaction is then recorded as an interfund charge to the District and an interfund revenue of the Debt Service Fund. The interest and principal are related to debt issued by NIFA



**Sewer and Storm Water Resource District Historical Revenue**

	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Proj.</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fund Balance	\$73,969,764	\$21,401,465	\$52,850,659	\$120,608,496	\$53,203,056	-55.9%
Permits & Licenses	227,095	0	0	265,000	216,000	-18.5%
Investment Income	1,499,412	3,962,130	7,539,975	1,769,735	6,000,000	239.0%
Rents & Recoveries	176,590	272,638	690,345	288,164	471,414	63.6%
Revenue Offset to Exp	0	0	0	162,025	160,140	-1.2%
Department Revenues	1,397,638	1,506,324	1,484,475	1,656,244	1,464,440	-11.6%
Capital Backcharges	928,808	82,343	258,446	463,077	479,283	3.5%
Interfund Charges	428,645	0	0	135,917,372	24,109	-100.0%
Interfund Transfers	10,950,780	167,743,356	195,500,365	0	116,187,759	*****
State Aid	224,072	0	0	0	0	*****
Property Tax	138,932,309	0	0	0	0	*****
<b>Total</b>	<b>\$228,735,113</b>	<b>\$194,968,256</b>	<b>\$258,324,265</b>	<b>\$261,130,113</b>	<b>\$178,206,201</b>	<b>-31.8%</b>

Over the period shown in the historical chart above, the Administration has varied its method of accounting for property tax revenues. In FY 04 it was shown as property tax; in FY 05 and FY 06 it was booked as an interfund transfer; in FY 07 as an interfund charge; and for FY 08 it is again an interfund transfer. Investment income has increased from FY 04 to FY 08 as the Authority invests more cash in interest earning accounts. This year, there is an appreciable increase of over 200% in interest earning accounts due to a higher interest rate environment. Department revenue has increased from FY 04 through FY 08 mostly due to miscellaneous receipts.

The FY 08 revenue budget for the District is \$178.2 million, which is an increase of \$5.7 million compared to the FY 07 budget, as shown in the following chart. This increase can be partially explained by an increase in investment income. As mentioned above, the Administration has reclassified the transfer of the Authority's tax levy to interfund transfers. As a result, interfund charges (BW) including the transfer of the Authority tax levy and fund balance, is decreasing by \$135.9 million from FY 07 adopted budget, whereas interfund transfers (IF) have increased by \$116.2 million. FY 07 projected Fund Balance represents actual FY 06 year end Fund Balance. Actual operations in FY 08 should yield a higher Fund Balance than the \$53.2 million that is being budgeted in 2008

The FY 08 budget of \$216,000 for permits and licenses, down \$49,000 from FY 07, includes revenue collected for sewage connections and verifications of permits.

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

Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Budget	FY 08 Dept. Request	Variance Exec. vs Adopted 07	Variance Exec. Vs FY 07 Proj.
AA Fund Balance - BOY	\$31,946,314	\$120,608,496	\$53,203,056	\$53,203,056	\$21,256,742	(\$67,405,440)
BC Permits & Licenses	265,000	265,000	216,000	216,000	(49,000)	(49,000)
BE Investment Income	1,769,735	1,769,735	6,000,000	6,000,000	4,230,265	4,230,265
BF Rents and Recoveries	288,164	288,164	471,414	471,414	183,250	183,250
BG Revenue Offset to Exp	162,025	162,025	160,140	160,140	(1,885)	(1,885)
BH Department Revenues	1,656,244	1,656,244	1,464,440	1,464,440	(191,804)	(191,804)
BI Capital Backcharges	463,077	463,077	479,283	479,283	16,206	16,206
BW Interfund Charges	135,917,372	135,917,372	7,380	24,109	(135,893,263)	(135,893,263)
IF Interfund Transfers	0	0	116,187,759	116,187,759	116,187,759	116,187,759
<b>Grand Total</b>	<b>\$172,467,931</b>	<b>\$261,130,113</b>	<b>\$178,189,472</b>	<b>\$178,206,201</b>	<b>\$5,738,270</b>	<b>(\$82,923,912)</b>

Departmental revenues are decreasing by \$191,804 from \$1.7 million in FY 07 to \$1.5 million in FY 08. Department revenues include contractual services, waste disposal and miscellaneous receipts. The decrease in revenue results from a decline in contractual services, offset by an increase in miscellaneous receipts. Waste disposal receipts will remain at the same level as last year.

**Sewer & Stormwater Resource District  
Staffing Analysis**

	FY 07 <u>Adopted</u>	Sept-07 <u>Actual</u>	FY 08 <u>Request</u>	FY 08 <u>Executive</u>	Exec. vs <u>07 Adopt</u>	Exec. vs <u>Actual</u>
Full-time Staffing	384	290	348	348	(36)	58
Part-time and Seasonal	4	11	0	0	(4)	(11)

The District's full-time staffing is decreasing by 36 positions from the FY 07 Adopted Budget of 384 positions to 348. Although the District has eliminated some of the vacant position for FY 08, nearly 60 vacancies remain. The District has continued to operate with a significant number of vacant positions. In light of the restructuring of several units associated with the District, the Department of Public Works is currently working on assessing the impact of sewer consolidation on staffing levels.

<b>Sewer and Storm Water Resource District</b>					
<b>MultiYear Plan</b>					
		<u>2008 Budget</u>	<u>2009 Plan</u>	<u>2010 Plan</u>	<u>2011 Plan</u>
<b>EXPENSE</b>					
AA	Salaries & Wages	\$23,004,329	\$23,972,567	\$24,958,818	\$25,988,463
AB	Fringe Benefits	10,131,191	11,079,745	11,783,349	12,543,989
	All Other Expense	145,070,681	140,104,271	140,516,051	139,226,686
<b>Expense Total</b>		<b>\$178,206,201</b>	<b>\$175,156,583</b>	<b>\$177,258,218</b>	<b>\$177,759,138</b>
<b>Revenue</b>					
AA	Fund Balance	\$53,203,056	\$55,795,901	\$47,770,553	\$0
	All Other Revenue	125,003,145	100,205,438	95,299,894	93,112,601
<b>Revenue Total</b>		<b>\$178,206,201</b>	<b>\$156,001,339</b>	<b>\$143,070,447</b>	<b>\$93,112,601</b>

The table above demonstrates the Administration's baseline for the MYP. Expenditures are actually decreasing from \$178.2 million in FY 08 to \$177.8 million in FY 11. Revenues will decline in FY 08 after the fund balance is utilized. After FY 08 revenues will decrease from \$178.2 million in FY 08 to \$93.1 million in FY 11. As shown in the chart above revenue is not sufficient to cover the expenditure budget in the out-years.

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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.



Nassau County Health and Human Services Building 60 Charles Lindbergh Blvd.

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 08 budget and baseline:

**Persons in Need of Supervision (PINS) Diversion - \$50,344**

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.

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 diversion services. Savings will show up as reduced expenses in the emergency vendor payments line of DSS.

Historical Expenditures						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
Full-time Headcount	856	842	867	860	884	2.8%
Salaries	\$44,688,925	\$47,551,759	\$49,505,980	\$51,821,833	\$55,348,988	6.8%
Misc OTPS	6,936,345	1,081,744	1,038,423	1,192,496	1,321,000	10.8%
Contractual Services	10,251,377	12,114,622	12,661,127	15,553,694	15,393,792	-1.0%
Recipient Grants	50,239,557	47,850,718	50,011,111	47,876,000	48,890,000	2.1%
Purchased Services	43,086,294	42,773,353	41,992,751	43,672,461	46,602,517	6.7%
Emerg. Vendor Payment	47,468,080	51,929,051	51,304,032	52,881,103	53,090,880	0.4%
Medicaid	247,533,191	238,948,840	212,598,284	218,024,984	225,698,854	3.5%
Medicaid IGT	121,715,035	40,973,707	1,171,947	215,447	0	-100.0%
<b>Total</b>	<b>\$571,918,803</b>	<b>\$483,223,794</b>	<b>\$420,283,655</b>	<b>\$431,238,018</b>	<b>\$446,346,031</b>	<b>3.5%</b>

The chart above shows DSS actual expenditures since FY 04, with a projected amount for FY 07. The number of full-time employees requested by the County Executive in the proposed budget is 28 more than were employed as of September 1, 2004. The growth in salary costs reflects the increasing headcount, as well as the step and cost of living adjustments received by the employees. DSS receives up to 100% reimbursement for its payroll costs. The cost of miscellaneous OTPS has remained flat except for the large one-time increase in FY 04 for the Health and Human Services document scanning project, for which state aid was received. The direct assistance costs accounted for as recipient grants, purchased services, emergency vendor payments, and Medicaid, are driven by caseload and rate increases that are beyond the control of the County. The impact of the Medicaid cap can be seen starting in FY 06. Not included in the proposed DSS budget is an appropriation 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). Removing the expense does not provide budgetary relief, since the County has always been made whole for the amount of its contribution. So there also is no IGT revenue in the proposed budget. The \$215,447 shown in 2007 represents remaining payables to Nassau Health Care Corporation for Correctional Center subsidies for 2006. All of these obligations ultimately will be charged to 2006. For 2007 and 2008 other operating funds in the County-wide budget will be utilized for the IGT.

As can be seen in the chart on the next page, the proposed \$468.9 million expense budget for the Department of Social Services is \$7.0 million or 1.5% more than the adopted FY 07 appropriation. This moderate rate of growth is largely attributable to the passage of State legislation in 2005 which capped the local share of Medicaid expenditures at the FY 05 base amount, plus 3.5% in FY 06, 3.25% in FY 07 and 3.0% in FY 08.

The 2007 projection for recipient grants is decreasing from the 2006 projected and 2007 adopted budget due to a lower Temporary Assistance to Needy Families (TANF) caseload in 2007 which is partially offset by a slightly higher Safety Net caseload. The purchased services projection for 2007 is below the 2007 budget due to lower than budgeted or projected 2006 expenses, which the 2007 budget was based on. This expense declined due to a market rate increase that was budgeted for but did not materialize and a decrease in the number of homemaking clients.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$53,750,837	\$51,821,833	\$56,641,008	\$55,348,988	\$1,598,151	\$3,527,155
BB	Equipment	135,531	123,676	70,000	70,000	(65,531)	(53,676)
DD	General Expenses	1,253,024	1,068,420	1,250,600	1,250,600	(2,424)	182,180
DE	Contractual Services	15,553,694	15,553,694	15,793,792	15,393,792	(159,902)	(159,902)
DF	Utility Costs	400	400	400	400	0	0
	<b>Total OTPS</b>	<b>16,942,649</b>	<b>16,746,190</b>	<b>17,114,792</b>	<b>16,714,792</b>	<b>(227,857)</b>	<b>(31,398)</b>
SS	Recipient Grants	53,676,000	49,000,000	48,890,000	48,890,000	(4,786,000)	(110,000)
TT	Purchased Services	47,865,713	43,672,461	46,602,517	46,602,517	(1,263,196)	2,930,056
WW	Emerg Vendor Pymnts	53,881,103	52,881,103	53,090,880	53,090,880	(790,223)	209,777
XX	Medicaid - Local Share	218,024,984	218,024,984	225,698,854	225,698,854	7,673,870	7,673,870
XY	Medicaid - IGT	0	215,447	0	0	0	(215,447)
	<b>Tot. Direct Assistance</b>	<b>373,447,800</b>	<b>363,793,995</b>	<b>374,282,251</b>	<b>374,282,251</b>	<b>834,451</b>	<b>10,488,256</b>
HF	Inter-Dept. Charges	17,789,006	17,814,006	22,561,862	22,561,862	4,772,856	4,747,856
	<b>Grand Total</b>	<b>\$461,930,292</b>	<b>\$450,176,024</b>	<b>\$470,599,913</b>	<b>\$468,907,893</b>	<b>\$6,977,601</b>	<b>\$18,731,869</b>

The \$3.5 million, or 6.8% payroll increase from the 2007 projected will accommodate the salary increase assumed for CSEA plus normal step increases. The current CSEA contract expires at the end of 2007. Although the current budget reflects budgeted headcount growing from the September 1, 2007 actual by 24 full-time employees and 8 part-time positions, it is anticipated that 13 additional positions will be requested by the Administration as a technical adjustment. These additional positions are expected to cost \$329,599 net of state and federal aid reimbursement. For its non-Medicaid administrative costs, the department receives an average 75% reimbursement up to the state aid cap. Certain preventive services are reimbursed at 65%, but are not capped. Foster care placements and PINS are two such programs. With the implementation of the Medicaid cap, Medicaid administrative expenses, which have been built into the County's base rate, are reimbursed at 100%.

The proposed budget for other than personal services decreases slightly from the current year's appropriation and the projected FY 07 actuals. Contractual services are decreasing by \$159,902 due to the removal of \$400,000 of non-recurring funds added by the Legislature in the previous year. Of these funds \$300,000 went for legal defense services in landlord/tenant cases and \$100,000 to combat domestic violence. This is partially offset by the addition of \$150,000 transferred to the Department of Social Services from the Youth Board to operate the New York State Education Department and Summer Food Service Program. Social Services began to take on the role of the Summer Lunch program during this past year but the transition will be fully accomplished in FY 08. Equipment is

decreasing by 48% from the current year’s adopted budget due to \$65,000 in computer related expenses being transferred to the Information Technology department. General expenses are decreasing slightly from the FY 07 adopted budget and increasing by 17% from the FY 07 projected actual.

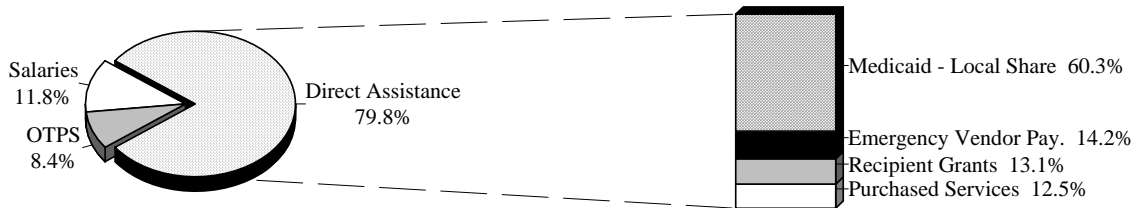
Inter-departmental charges are increasing by \$4.8 million, or 26.8%, to \$22.6 million. These charges are intended to identify and allocate the costs incurred by other departments on behalf of the Department of Social Services. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). DSS can then receive reimbursement for its share of the charges. The \$6.3 million line for indirect charges, within interdepartmental charges, represents the department’s portion of the costs for such centralized governmental operations as payroll, human resources, and legal services. The chart below shows all the interdepartmental charges booked to DSS except for those related to the juvenile detention facility which are shown below the sub total.

Inter-Departmental Charges	Adopted 2007	Executive 2008	+/-
Probation Charges	\$1,000,000	\$1,111,297	\$111,297
Mental Health Charges	0	3,252,537	3,252,537
Printing Graphics & Mail Services	192,821	270,152	77,331
Information Technology Charges	501,347	685,958	184,611
Purchasing Charges	92,447	150,787	58,340
Fleet Maintenance Charges	18,368	20,945	2,577
Building Occupancy Charges	3,150,389	6,328,580	3,178,191
Workers Compensation Exp	558,706	347,445	(211,261)
Gasoline Charges	9,041	13,253	4,212
Telecommunication Charges	867,043	32,245	(834,798)
HHS Charges	2,749,873	0	(2,749,873)
County Attorney Charges-4E	0	1,125,238	1,125,238
County Attorney Charges	527,249	862,429	335,180
PDH Charges	927,747	730,888	(196,859)
PDH Charges (ISA)	0	287,021	287,021
Correctional Center Charges	120,000	0	(120,000)
Indirect Charges	6,283,895	6,283,892	(3)
District Attorney Charges	190,905	273,500	82,595
Sub Total	\$17,189,831	\$21,776,167	\$4,586,336
Juvenile Detention Center	599,175	785,695	186,520
Total	\$17,789,006	\$22,561,862	\$4,772,856

The building occupancy charges represent the department’s portion of the expenses related to their leased space at 60 Charles Lindbergh Boulevard. Because the budget is based on the previous year’s actual charges, the \$3.2 million charge in FY 07 represents the six months that the department occupied 60 Charles Lindbergh Boulevard in 2005. The FY 08 budget reflects a full year of occupancy in 2006. County Attorney-4E charges are for child protective services performed by the County Attorney. This cost, now charged to Social Services, will be reimbursable. The Probation charges represent the cost of officers dedicated to the PINS initiative. The HHS charges have been moved to the mental health charges line. 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. These are booked as HHS

charges. 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 state aid reimbursement.

**FY 2008 Proposed DSS Expense Budget**



Note: OTPS includes Inter-departmental charges

As can be seen in the chart above, direct assistance is the largest expense category for DSS, making up 79.8% of the budget. Medicaid – local share comprises 60.3% 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. Until the implementation of the Medicaid cap, the amount that was the responsibility of the County varied depending on the type of expenditure. On average, the County paid for approximately 18% of the total Medicaid expense (the State pays the bill and the County reimburses the State for the local share).

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. The legislation established calendar year 2005 as the base year for determining the annual local expenditure ceiling. That amount has been set at \$191,995,543. 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, which based on the historical annual growth of program costs, is not likely to be less than the 3.0% capped amount. The proposed FY 08 Medicaid budget of \$225.7 million, after adjusting for the difference in the state fiscal year, is 3.5% plus 3.25% plus 3.0% of the 2005 base bringing the total inflator to 9.75%. Using that methodology, there is not even a compounding effect from year to year. Also included in the proposed Medicaid budget is the County’s \$13,159,740 indigent care adjustment. This payment, in an amount set by the State (and unchanged for many years), provides assistance to Nassau University Medical Center for the uncompensated care it provides to those without the ability to pay. Starting in 2009, and for every year thereafter, unless there is a change to the 2005 base amount or the indigent care adjustment, the cap will hold the County’s annual net increase in the cost of Medicaid to \$5.8 million. Although the Medicaid expense line shows a \$7.7 million increase, included in this line are some expenses that the County pays over the cap for which State reimbursement is received.



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 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>1</sup>

In this year's Summary of the Fiscal 2008 Proposed Budget it states that because of its sales tax growth projections, the County is expected to choose the cap formula. Although the sales tax is projected by OMB to increase by 2.1% in 2007 and is budgeted to increase 2.5% in 2008, the out-years are projected to grow at 3% in 2009, and 3.5% in 2010 and 2011. The average increase over the last five years has been 3.58%. 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.

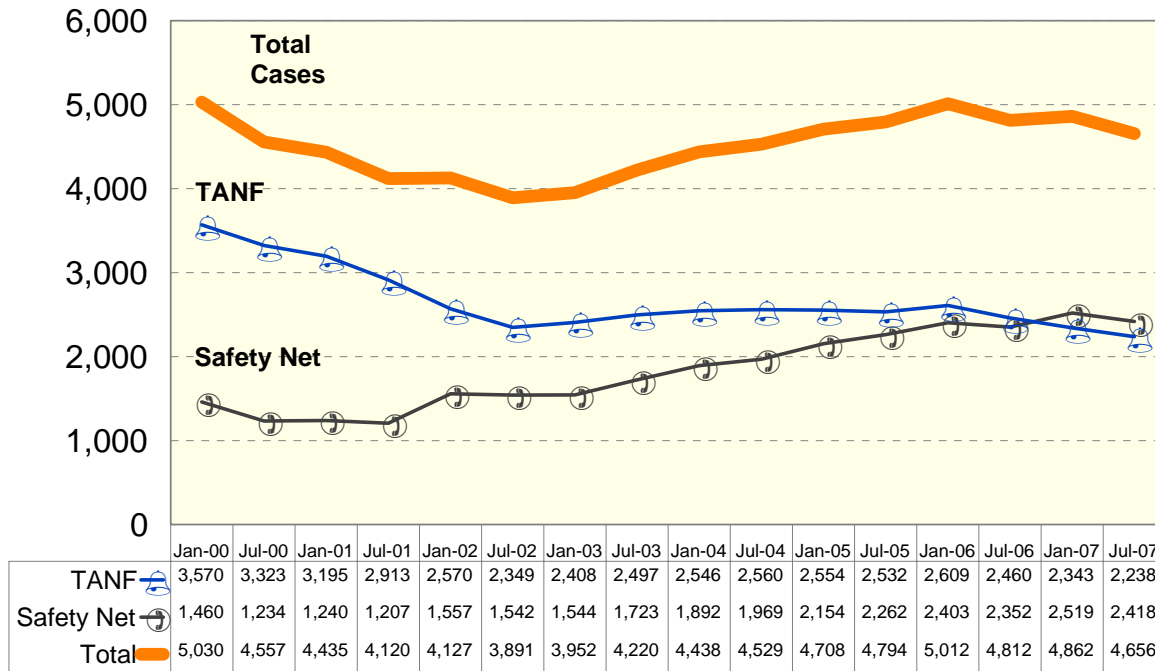
The proposed FY 08 funding for recipient grants, as compared to the projected actuals for the current year, is essentially remaining flat, with a slight \$110,000 increase to \$48.9 million. The largest component of the proposed budget for recipient grants will be used to fund TANF (formerly referred to as Aid to Families with Dependent Children), which is decreasing from the adopted 2007 budget by 16%, from \$24.5 million to \$20.5 million. As previously discussed, this cost is expected to be under budget in 2007. The August year to date TANF case load for 2007 is 9.6% below 2006 for the same time period. This is somewhat offset by the Safety Net case load which is over the 2006 August year to date number by 4.3%. 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>2</sup> Safety Net Assistance (formerly referred to as Home Relief), makes up the next largest piece, decreasing slightly from \$18.9 million to \$18.75 million. Various other programs, such as Subsidized Adoptions, Children in Foster Homes, and Low Income Home Energy Assistance (LIHEAP), are budgeted to receive the remaining \$9.6 million.

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<sup>1</sup> Crannell, Ken, "Understanding The Medicaid Cap", NYSAC News, Summer 2005, p.8

<sup>2</sup> "Welfare Fact Sheet", U.S. Department of Health and Human Services: Administration for Children and Families, September, 2000.

## Nassau County TANF & Safety Net Caseload January 2000 - July 2007



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 are not eligible for other assistance programs can apply for the Safety Net program if they are single adults, childless couples, children living apart from any adult relative, families of persons abusing drugs or alcohol, families of persons refusing drug/alcohol screening, assessment or treatment, persons who have exceeded the 60-month limit on assistance, or aliens who are eligible for temporary assistance, but who are not eligible for federal reimbursement. Benefits are provided as cash for 24 months. After 24 months benefits may continue as non-cash payment (vendor check or voucher). The chart above shows TANF caseloads decreasing by 37.3% since January 2000, while Safety Net cases have risen almost 65.6% in that same period. Combined, the total cases are down 7.4% during that time. The trends are significant because the County contributes 50% for the Safety Net program, but only 25% for TANF.

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 remaining flat at \$2.5 million.

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 decrease by \$1.3 million from the FY 07 budget but increase by \$2.9 million or 6.7%, from the FY 07 projected actual. As stated previously, purchased services for 2007 decreased due to lower than budgeted or projected 2006 expenses, which the 2007 budget was based on.

This expense declined due to a market rate increase that was budgeted for but did not materialize and a decrease in the number of homemaking clients. Caseload peaked at 5,000 at the end of 1999, and has averaged approximately 3,127 cases per month since then. The monthly average for the first nine months of the current year is 2,857. The most recent market rate increase came at the end of 2005.

The cost of homemaking providers is another expense booked as purchased services. Title XX Homemaker Services provide cooking, shopping, and cleaning to income eligible individuals above the Medicaid level and with limited resources. Since homemaking providers have historically been paid a low wage it is expected that this expense will be impacted by Local Law No. 1-2006, the Living Wage Law, which became effective on January 1, 2007. From that date until July 31, 2008, County contractors will have to pay their employees \$9.50 per hour. The required wage will increase by \$1.00 per hour every August thereafter until it reaches \$12.50 in 2011. After that it will be adjusted annually by the CPI, capped at 3.5%.

The proposed funding for emergency vendor payments is increasing slightly over the projected FY 07 amount of \$52.9 million to \$53.1 million. 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, a large percentage of which is offset with additional Federal and State aid. The reduction from the departmental request was due to the removal of \$400,000 which had been added by the Legislature for FY 07 as a non-recurring expense. The allocation for the Public Financial Assistance control center has increased over the previous year by \$1.6 million but is \$534,667 less than the departmental request for positions that were not included in the proposed budget. The Division of Services has decreased due to the removal of program agencies expense in 2007. There has also been a decrease of 14 positions from the requested headcount but an increase of one position over the September 1, 2007 actual. Family Assistance is decreasing from the FY 07 budget due to reduced 2007 actual expense as previously discussed. Medicaid MMIS is increasing by the capped amount of \$7.7 million as previously discussed. The training school cost center is used for payments to NYS Office of Children and Family Services (OCFS) for the local share of the cost of youths placed in OCFS facilities. OCFS is implementing a rate adjustment going retroactively back to 2001.

**EXPENSE BUDGET  
BY CONTROL CENTER**

Control Center	Adopted FY 07 Budget	Departmental Request FY 08	Executive FY 08	Variance Exec. vs FY 07	Variance Exec. vs Request
10 Administration	\$25,504,293	\$31,416,299	\$31,016,299	\$5,512,006	(\$400,000)
20 Public Financial Assistance	36,490,270	38,627,504	38,092,837	1,602,567	(534,667)
30 Services	21,967,745	21,190,597	20,467,698	(1,500,047)	(722,899)
51 Juvenile Detention Center	4,519,232	5,082,262	5,047,808	528,576	(34,454)
52 Real Estate Expense	952	1,000	1,000	48	0
53 Educ. Handicapped Children	14,000,000	14,500,000	14,500,000	500,000	0
55 Food Stamp Program	1,000	0	0	(1,000)	0
60 Family Assistance	29,500,000	25,123,750	25,123,750	(4,376,250)	0
61 Safety Net Assistance	20,986,776	20,666,000	20,666,000	(320,776)	0
62 Children in Institutions	18,993,127	17,524,050	17,524,050	(1,469,077)	0
63 Children in Foster Homes	1,776,000	1,532,500	1,532,500	(243,500)	0
65 Juvenile Delinquents	8,560,800	8,110,580	8,110,580	(450,220)	0
66 Training Schools	2,000,000	3,200,000	3,200,000	1,200,000	0
68 Children in Institutions - 4E	2,200,000	2,200,000	2,200,000	0	0
69 Children in Foster Homes - 4E	1,315,400	925,000	925,000	(390,400)	0
70 Subsidized Adoptions	5,400,000	5,400,000	5,400,000	0	0
72 Burials	325,000	300,000	300,000	(25,000)	0
73 Medicaid MMIS	218,024,984	225,698,854	225,698,854	7,673,870	0
75 HEAP	2,500,000	2,500,000	2,500,000	0	0
76 Title XX	47,864,713	46,601,517	46,601,517	(1,263,196)	0
<b>Total</b>	<b>\$461,930,292</b>	<b>\$470,599,913</b>	<b>\$468,907,893</b>	<b>\$6,977,601</b>	<b>(\$1,692,020)</b>

The chart on the following page, which delineates the DSS headcount by responsibility center, shows that the proposed budget has added 24 full-time positions over the September 1, 2007 actual and decreased 31 positions from the FY 2007 budget. Of these positions, DSS will receive 100% reimbursement for 16 Social Welfare Examiners associated with the Medicaid program, and their costs are included in the County's Medicaid cap amount. Three additional caseworkers will be utilized in the Child Protective Services and Services to Children divisions and will be partially offset by state and federal aid. In addition, it is expected that 13 full-time positions will be added as a technical adjustment.

The part-time positions are increasing by eight over the September 1, 2007 actual and decreasing by three from the FY 07 budget. DSS also employs an additional 46 individuals whose salaries are 100% grant funded.

**Department of Social Services  
Staffing Analysis**

	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
<b>10 Administration</b>						
Administration	11	10	12	12	1	2
Support Services	29	27	27	27	(2)	0
Legal	7	7	7	7	0	0
Systems Administration	37	36	36	36	(1)	0
Staff Development	5	6	6	6	1	0
<b>Total for Control Center</b>	<b>89</b>	<b>86</b>	<b>88</b>	<b>88</b>	<b>(1)</b>	<b>2</b>
<b>20 Public Financial Assistance</b>						
Administration	0	1	0	0	0	(1)
Public Assistance	113	114	123	116	3	2
Community Relations & Housing	12	11	11	11	(1)	0
Medical Assistance	178	169	189	189	11	20
Support Services	20	18	18	18	(2)	0
Accounting	44	42	43	42	(2)	0
Jobs Program	13	6	7	6	(7)	0
Food Stamps	5	4	4	4	(1)	0
Support Collection Unit	91	83	84	82	(9)	(1)
<b>Total for Control Center</b>	<b>476</b>	<b>448</b>	<b>479</b>	<b>468</b>	<b>(8)</b>	<b>20</b>
<b>30 Services</b>						
Provider Services	305	279	294	280	(25)	1
<b>51 Juvenile Detention Center</b>						
NC Juvenile Detention Center	45	47	48	48	3	1
<b>Total Full-time</b>	<b><u>915</u></b>	<b><u>860</u></b>	<b><u>909</u></b>	<b><u>884</u></b>	<b><u>(31)</u></b>	<b><u>24</u></b>
<b>CC Part-time and Seasonal</b>						
<b>10 Administration</b>						
Support Services	14	12	13	13	(1)	1
Legal	1	1	1	1	0	0
Systems Administration	10	9	9	9	(1)	0
<b>Total for Control Center</b>	<b>25</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>(2)</b>	<b>1</b>
<b>20 Public Financial Assistance</b>						
Public Assistance	13	12	12	12	(1)	0
Medical Assistance	15	10	16	16	1	6
Accounting	1	2	1	1	0	(1)
Jobs Program	1	1	1	1	0	0
Food Stamps	0	1	0	0	0	(1)
Support Collection Unit	6	4	4	4	(2)	0
<b>Total for Control Center</b>	<b>36</b>	<b>30</b>	<b>34</b>	<b>34</b>	<b>(2)</b>	<b>4</b>
<b>30 Services</b>						
Provider Services	58	61	64	64	6	3
<b>51 Juvenile Detention Center</b>						
NC Juvenile Detention Center	29	24	23	24	(5)	0
<b>Total Part-time and Seasonal</b>	<b><u>148</u></b>	<b><u>137</u></b>	<b><u>144</u></b>	<b><u>145</u></b>	<b><u>(3)</u></b>	<b><u>8</u></b>

The chart below shows the revenue realized by DSS since FY 04, with an estimated amount for FY 07. The largest of these sources, state and federal aid, are received in an amount relative to the annual expenditures for the various reimbursable services provided. The apparent decrease of state aid during this period is related to the removal of Medicaid related reimbursement, which, beginning in FY 06 with the implementation of the Medicaid cap, is now netted against the County’s share of Medicaid costs. Prior to FY 05, the Medicaid IGT reimbursement was accounted for as a departmental revenue. The FY 06 fund balance was included to cover contractual expenses for non-profit agencies related to the implementation of the “No Wrong Door” initiative. Rents and recoveries revenue is derived from the disencumbrance of prior-year contracts, as well as other retroactive adjustments. In FY 06, DSS received \$7.5 million for Medicaid recoveries. For 2007 and 2008 it is anticipated that any recoveries will be transferred to reserves by the end of the year.

<b>Historical Revenue</b>						
	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fund Balance	\$0	\$0	\$0	\$400,000	\$0	-100.0%
Rents & Recoveries	9,816,174	4,160,052	12,343,351	0	0	0.0%
Department Revenues	132,093,118	13,629,115	10,236,223	11,549,000	10,549,000	-8.7%
Interdepartmental Rev.	0	20,912	52,654	0	0	0.0%
Medicaid IGT Reimburs.	0	38,533,915	0	0	0	-100.0%
Federal Aid	98,499,384	92,292,495	93,879,971	90,767,863	98,320,676	47.0%
State Aid	113,638,696	85,409,721	67,218,920	66,873,821	70,059,599	-58.7%
<b>Total</b>	<b>\$354,047,372</b>	<b>\$234,046,211</b>	<b>\$183,731,118</b>	<b>\$169,590,684</b>	<b>\$178,929,275</b>	<b>5.5%</b>

In providing social services to the citizens of Nassau, the County receives substantial assistance from the federal government (projected at \$90.8 million for FY 07) and New York State (projected at \$66.9 million). The chart below shows FY 08 budgeted expenses and the amount of Federal and State aid reimbursement for each control center. Please note that the expenditures for the Medicaid control center reflect payments to the State for the County portion only. Therefore reimbursement is not received for program costs. If Medicaid is excluded, 68.0% of the proposed DSS budget is expected to be 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 only, and no reimbursement is required. Some of these distributions by control center may change with technical adjustment to be prepared by the Administration but the total budgeted reimbursement will not change. The total State and Federal aid numbers are consistent with the current year’s budget and actual reimbursement for FY 06.

**FY 08 FEDERAL AND STATE AID  
BY CONTROL CENTER**

Control Center	Expenses	\$			%
		Federal Aid	State Aid	Federal/ State Funded	Federal/ State Funded
Administration	\$31,016,299	\$9,411,191	\$8,984,126	\$18,395,317	59.3%
Public Financial Assistance	38,092,837	23,447,672	14,305,714	37,753,386	99.1%
Division of Services	20,467,698	9,296,399	6,254,470	15,550,869	76.0%
Juvenile Detention Center	5,047,808	0	4,537,661	4,537,661	89.9%
Real Estate Expense	1,000	0	0	0	0.0%
Educ. Handicapped Children	14,500,000	0	5,800,000	5,800,000	40.0%
TANF	25,123,750	5,936,160	5,936,160	11,872,320	47.3%
Safety Net Assistance	20,666,000	0	9,547,500	9,547,500	46.2%
Children in Institutions	17,524,050	11,875,000	4,875,000	16,750,000	95.6%
Children in Foster Homes	1,532,500	1,065,600	492,840	1,558,440	101.7%
Juvenile Delinquents	8,110,580	3,852,396	1,284,120	5,136,516	63.3%
Training Schools	3,200,000	0	0	0	0.0%
Non-Secure Detention	2,200,000	0	1,100,000	1,100,000	50.0%
Children in Foster Homes - 4E	925,000	472,500	460,250	932,750	100.8%
Subsidized Adoptions	5,400,000	2,052,000	2,565,000	4,617,000	85.5%
Burials	300,000	0	5,000	5,000	1.7%
HEAP	2,500,000	2,500,000	0	2,500,000	100.0%
Title XX	46,601,517	28,411,758	911,758	29,323,516	62.9%
<b>Sub-Total</b>	<b>243,209,039</b>	<b>98,320,676</b>	<b>67,059,599</b>	<b>165,380,275</b>	<b>68.0%</b>
Medicaid MMIS	225,698,854	0	3,000,000	3,000,000	1.3%
<b>Total</b>	<b>\$468,907,893</b>	<b>\$98,320,676</b>	<b>\$70,059,599</b>	<b>\$168,380,275</b>	<b>35.9%</b>

The chart on the following page displays the department's revenue budget by revenue class. In 2007 State and Federal aid are projected to be lower than budget by \$3.7 million and \$3.6 million respectively. This is due to the 2007 projected direct assistance expenses, which are expected to be below budget by \$9.7 million. Federal aid is anticipated to rise by 8.3% over the current year's projection to \$98.3 million. The FY 07 state aid increase over the current year's projection is \$3.2 million, or 4.8%. Fund Balance of \$400,000, added by the Legislature in 2007, has not been included for 2008.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
AA Fund Balance	\$400,000	\$400,000	\$0	\$0	(\$400,000)	(\$400,000)
BH Depart. Revenues	10,549,000	11,549,000	10,549,000	10,549,000	0	(1,000,000)
FA Fed. Aid - Reimb Exp	94,359,361	90,767,863	98,443,428	98,320,676	3,961,315	7,552,813
SA State Aid - Reimb Exp	70,532,586	66,873,821	70,519,562	70,059,599	(472,987)	3,185,778
<b>Grand Total</b>	<b>\$175,840,947</b>	<b>\$169,590,684</b>	<b>\$179,511,990</b>	<b>\$178,929,275</b>	<b>\$3,088,328</b>	<b>\$9,338,591</b>

**Out-Year Initiatives**

The following out-year initiatives have been included in the FY 08 – 11 Multi-Year Financial Plan:

<b>NAME</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
PINS Diversion	\$52,860	\$52,860	\$52,860

The **Persons in Need of Supervision (PINS)** initiative was discussed earlier. In addition to the savings of \$1.0 million that has been incorporated into the FY 08 budget and baseline, this initiative is projected save an additional \$52,860 in FY 09 through 2011.



**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 District Court 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.

Recent achievements of the agency include: addition of a fourth hearing room, billing every day instead of every six weeks, decreasing wait time to 2 ½ hours, handling 90% of collections vs. 10% in the past and assembling a “financial team” to improve the quality and quantity of information. According to the agency it now takes approximately two weeks to input tickets into the system.

In the upcoming year the agency plans on reevaluating its collections contract with LES and to utilize the capabilities of a new integrated computer system. The existing 10-year old computer system is unable to support new technologies and the added demands of the agency. TPVA is also in the process of replacing its computer system. The new system would enable TPVA to manage the increased requirements for traffic and parking collection and processing default judgments. The software should give the office the capability to: transfer scanned documents to and from the Police department, provide online bill payment, operate an interactive voice response telephone service. The agency receives many calls on the current telephone system. The agency is trying to develop a response system similar to that of ARC.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fines & Forfeits	\$11,158,613	\$17,422,401	\$18,736,738	\$18,800,000	\$22,200,000	18.1%
Investment Income	0	0	0	\$356,362	\$0	-100.0%
Rents & Recoveries	720,431	141,904	1,153,675	0	0	*****
Cap Chargebacks	0	0	0	94,638	103,885	9.8%
<b>Total</b>	<b>\$11,879,044</b>	<b>\$17,564,305</b>	<b>\$19,890,413</b>	<b>\$19,251,000</b>	<b>\$22,303,885</b>	<b>15.9%</b>

TPVA has made significant strides in fines & forfeits revenue, increasing collections by 68.5% from FY 04 through FY 07. The agency is relying on both the Operational Re-engineering and Ticket Processing Surcharge initiatives to achieve an 18.1% or \$3.4 million increase over the current year’s projected fine & forfeits revenue. An amnesty program was implemented in 2005 which generated \$1.18 million of unbudgeted revenue.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BD	Fines & Forfeitures	\$20,700,000	\$18,800,000	\$22,200,000	\$22,200,000	\$1,500,000	\$3,400,000
BE	Investment Income	\$0	\$356,362	\$0	\$0	0	(356,362)
BI	Cap Backcharges	52,895	94,638	103,885	103,885	50,990	9,247
<b>Grand Total</b>		<b>\$20,752,895</b>	<b>\$19,251,000</b>	<b>\$22,303,885</b>	<b>\$22,303,885</b>	<b>\$1,550,990</b>	<b>\$3,052,885</b>

The FY 08 Executive revenue budget is increasing by 7.5% or \$1.6 million. A large part of this growth is due to the anticipated approval of a ticket processing surcharge by the State legislature. This surcharge is expected to produce \$1.5 million in additional fine revenue. The agency has stated that action on this proposed surcharge increase will not take place until the new State Legislature session in January 2008. Due to the requirement for State approval this item is at risk. When comparing the FY 08 Executive Budget to the FY 07 projection an increase of 15.9% or \$3.1 million is needed to reach budget. The agency believes reaching the FY 07 target is still attainable due primarily to the prospective issuance of default judgments in the fourth quarter which according to the agency influences defendants to make payments on their liabilities. A default judgment of guilty occurs when defendants do not answer tickets within an allotted time. Other positive influences are the addition of four Parking Enforcement Agents to the Police Department and augmented suspension requests to Albany. The office has revised its strategy and has doubled the number of trials in October to 1,800 and tripled the number of suspensions to Albany. In the first six months of the current year 75,000 suspension requests were sent to Albany. Increasing the number of suspension letters against scofflaws will promote incremental revenue to the agency. The interest income of \$356,362 included in OLBR's FY 07 projection is due to interest which accumulated over 4 to 5 years. The interest was recorded as deferred revenue on the balance sheet, until a determination on which revenue account to book to was decided. Capital backcharges are projected at \$94,638 due to a position transfer from OMB. These charges are related to work done on the TPVA Computer System Replacement. Through better technology the agency hopes to create efficiencies and improve the management of tickets.

TPVA Tickets Issued YTD						
ISSUING AGENCIES	August 2006 YTD		August 2007 YTD		% Difference	
	PKG	TRAF	PKG	TRAF	PKG	TRAF
NY State Police	28	2,786	1	740	-96.4%	-73.4%
Town North Hempstead	14,337	0	13,908	0	-3.0%	*****
NY State Park Police	1,046	834	502	621	-52.0%	-25.5%
Manhasset Park Police	1,081	0	1,543	0	42.7%	*****
Nassau Health Care Co	1,195	0	1,515	532	26.8%	*****
Nassau County Police	46,097	59,272	35,669	48,078	-22.6%	-18.9%
MTA Police Dept	354	614	5,578	8,723	1475.7%	1320.7%
Hand-Held Tickets	26,669	0	18,036	103	-32.4%	*****
NYS TrAcs	0	18,051	2,708	16,772	*****	-7.1%
Highway Patrol TRACS & sector police	0	2,700	0	9,288	*****	244.0%
NCPD 8 Sector Pcts TraCS	0	5,690	0	0	*****	-100.0%
TOB (Public Safety)	0	0	42	989	*****	*****
Highway Patrol	53	26,810	338	18,940	537.7%	-29.4%
Port Washington Police	1,372	3,331	970	3,608	-29.3%	8.3%
Dept Recreation/Parks	0	0	192	507	*****	*****
Dept General Services	0	0	0	0	*****	*****
Nassau County Sheriff	37	41	0	41	-100.0%	0.0%
Nassau Comm College	1,265	0	1,038	0	-17.9%	*****
Town Hempstead PS	132	3	197	36	49.2%	1100.0%
SUNY Old Westbury	9	277	0	321	-100.0%	15.9%
Fire Marshall	826	0	249	0	-69.9%	*****
<b>Total</b>	<b>94,501</b>	<b>120,409</b>	<b>82,486</b>	<b>109,299</b>	<b>-12.7%</b>	<b>-9.2%</b>

The chart above shows parking and traffic collections for the current year in comparison to 2006. Parking and traffic tickets are down 12.7% and 9.2% respectively. Through August, the Nassau County Police Department, which issues the largest number of tickets, has cited 22.6% fewer parking and 18.9% fewer traffic violations, then in the same period in 2006. However, preliminary data from September suggest a slight turnaround from the trends set year to date. Total ticket collections for September 2007 are up 14% in comparison to last September.

Parking Fine Distribution						
	January 1, 2003 to April 30, 2003		May 1, 2003 to June 30, 2006		after July 1, 2006	
	County	Participant	County	Participant	County	Participant
w/ Agency	14%	86%	17.5%	82.5%	25%	75%
w/o Agency	35%	65%	35%	65%	35%	65%

The chart above displays the terms of the renegotiated Inter-Municipal Agreement (IMA) for the following jurisdictions: the Town of Hempstead, North Hempstead, Oyster Bay, Village of Port Washington, Village of Hewlett Harbor and Nassau Health Care Corporation. Changes in the agreement reflect augmented responsibilities and technological improvements on the part of TPVA. According to the agency additional revenue in the amount of \$250,000 will be generated as a result of these IMA's in the current year. The agency plans on reviewing other IMA's going forward. A goal of the agency is to create fee schedule uniformity amongst the towns and County. For example a parking ticket costs \$15

in Oyster Bay and \$55 in Hempstead while the County charges \$80. Elevating the charges by the towns could lead to an incremental increase in fine revenue.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	32	37	35	39	41	5.1%
Salaries	\$1,869,549	\$2,316,220	\$2,397,565	\$2,503,856	\$3,102,005	23.9%
Misc OTPS	116,191	153,950	198,605	271,243	301,359	11.1%
Contractual Services	702,968	950,624	826,292	851,905	858,000	0.7%
<b>Total</b>	<b>\$2,688,707</b>	<b>\$3,420,794</b>	<b>\$3,422,461</b>	<b>\$3,627,004</b>	<b>\$4,261,364</b>	<b>17.5%</b>

The agency’s salary line in FY 04 of \$1.9 million increased to \$2.4 million in FY 06 and is projected to have a \$598,149 increase in FY 08 to \$3.1 million. The increases are chiefly attributed to a growing staff and rising salary costs. During its early years TPVA was understaffed. The Comptroller’s Office conducted two 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 altered its hours of operation to Monday through Friday with extended hours on these days except Friday. The office recently removed Saturday hours citing minimal attendance, the office is now open on Mondays to compensate.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted 07</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$2,829,914	\$2,503,856	\$3,102,005	\$3,102,005	\$272,091	\$598,149
BB	Equipment	23,800	29,800	7,817	7,817	(15,983)	(21,983)
DD	General Expenses	275,545	241,443	293,542	293,542	17,997	52,099
DE	Contractual Services	851,905	851,905	858,000	858,000	6,095	6,095
	<b>Total OTPS</b>	<b>1,151,250</b>	<b>1,123,148</b>	<b>1,159,359</b>	<b>1,159,359</b>	<b>8,109</b>	<b>36,211</b>
	<b>Grand Total</b>	<b>\$3,981,164</b>	<b>\$3,627,004</b>	<b>\$4,261,364</b>	<b>\$4,261,364</b>	<b>\$280,200</b>	<b>\$634,360</b>

The FY 08 expense budget is increasing by \$280,200, largely due to rising salary costs. Approximately \$50,412 is included in the salary line in anticipation of COLA increase for CSEA members. The remainder of the increase is due to additional staff. OTPS is increasing by \$8,109. The agency has contracts for Administrative Law Judges, stenographers and its collection agency Law Enforcement Systems (LES).

<b>Traffic and Parking Violations Agency Staffing Analysis</b>						
	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	50	39	41	41	(9)	2
Part-time and Seasonal	21	33	35	35	14	2

Total full-time headcount is decreasing by nine positions in part due to a reclassification by the Civil Service Commission of ten full-time Traffic Prosecutors positions to part-time status. According to the agency these positions were always part-time yet were coded as full-time. This re-categorization has offset the addition of a Cashier, Clerk I and the removal of a Management Analyst III. The duties of the Management Analyst III have been absorbed by the Deputy Director, Financial Systems Administrator and Office Services Supervisor.

## 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.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fund Balance	\$0	\$0	\$0	\$25,000,000	\$0	-100.0%
Interest Penalty on Tax	\$22,683,567	\$21,369,228	\$22,532,343	\$23,238,690	\$22,500,000	-3.2%
Fines & Forfeits	13,840	8,801	6,772	120,686	10,000	-91.7%
Investment Income	9,909,883	17,316,057	23,130,696	20,270,083	23,453,485	15.7%
Rents & Recoveries	15,578	578,107	320,013	1,867,394	0	-100.0%
Dept Revenues	879,557	542,436	634,779	609,402	610,000	0.1%
Pay Lieu Tax - Payment in Lieu	0	4,298,403	0	0	0	0.0%
Special Taxes	5,114,033	5,227,960	4,225,528	3,366,909	3,405,000	1.1%
<b>Total</b>	<b>\$38,616,458</b>	<b>\$49,340,992</b>	<b>\$50,850,131</b>	<b>\$74,473,164</b>	<b>\$49,978,485</b>	<b>-32.9%</b>

Historically revenue has increased from \$38.6 million in FY 04 to a \$50.0 million in FY 08. The increase is due primarily due to investment income and interest penalty on taxes. Investment income is generated as the County invests excess cash in certificate of deposits, money markets and time deposits and repurchase agreements. The significant jump in investment income from FY 04 through FY 06 results from rising interest rates and increased cash flow borrowings. Interest penalty on taxes have remained fairly steady from FY 04 to FY 08. Interest penalty on taxes include interest on taxes, tax sale expense, penalty on delinquent taxes, differential lien interest, tax lien advertising fees and listing fees for tax delinquent properties. Special taxes include the Belmont admissions tax, the hotel/motel room tax and the entertainment tax. Historically, special taxes have steadily decreased. The decline in FY 06 and FY 07 can be attributed to reductions in the hotel motel sales tax allocation to the Treasurer's department. The abnormal rise in the projected FY 07 revenue is due to \$25.0 million in fund balance. The fund balance represents FY 06 surplus funds which were transferred into the Treasurer's FY 07 budget to pay for tax certs. Although, it is not part of the budget, in FY 08 the Administration plans to use \$10 million of anticipated FY 07 surplus to pay for tax certs.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>	
AA Fund Balance	\$0	\$25,000,000	\$0	\$0	\$0	(\$25,000,000)	
BA Int Penalty On Tax	24,650,000	23,238,690	22,500,000	22,500,000	(2,150,000)	(738,690)	
BD Fines & Forfeits	10,000	120,686	10,000	10,000	0	(110,686)	
BE Invest Income	19,600,000	20,270,083	21,000,000	23,453,485	3,853,485	3,183,402	
BF Rents & Recoveries	0	1,867,394	0	0	0	(1,867,394)	
BH Dept Revenues	420,000	609,402	610,000	610,000	190,000	598	
TX Special Taxes	3,096,250	3,366,909	3,405,000	3,405,000	308,750	38,091	
<b>Total</b>	<b>\$47,776,250</b>	<b>\$74,473,164</b>	<b>\$47,525,000</b>	<b>\$49,978,485</b>	<b>\$2,202,235</b>	<b>(\$24,494,679)</b>	

The proposed revenue budget of the Treasurer’s office is increasing by \$2.2 million, or 4.6% from the FY 07 budget. This increase is mostly due to greater investment income. Due to rising interest rates and cash flow borrowings, investment income continues to accumulate. The FY 08 budget for investment income of \$23.5 million is \$3.9 million greater than the FY 07 budget and \$3.2 million greater the FY 07 projection. In FY 08, the County Treasurer anticipates the cash balances to remain consistent with the current year. According to the County Treasurer, the rate used to calculate investment income includes the recent Federal Reserve’s 50 basis point rate reduction. On September 18, the Federal Reserve lowered its benchmark interest rate by a half point to 4.75%. The Office of Legislative Budget Review (OLBR) believes that investment income is a possible risk since economists are forecasting the federal funds rate to further reduce in 2008. According to USA Today “economists forecast a 50 basis point cut in the federal funds rate by the end of the first quarter of 2008.”<sup>1</sup>

The FY 07 investment income projection of \$20.3 million results in a surplus of \$670,000 from the FY 07 budget. As of September 24, 2007, the County Treasurer currently has \$829.6 million sitting in investment and operating accounts. Of this total \$728.0 million are in investment accounts earning a blended rate of 5.28% and \$91.7 million are invested in operating accounts earning a blended rate of 4.71%. A significant portion of the County’s investment funds reside at Commerce Bank and North Fork Bank.

Special taxes are decreasing \$309,000 from the FY 07 budget to \$3.4 million in FY 08. 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.

The hotel/motel tax is a 3% sales tax attached to the nightly room rental rate. Earlier this year the State extended our authorization to renew the tax from December 31, 2007 to December 31, 2009. The allocations are defined in the New York State’s Legislation. The collections of this tax are budgeted in the Treasurer’s department, the Parks General Fund and the Parks Grant Fund. For FY 08 allocations remain unchanged from the current year. The Treasurer’s Department will receive 18.75% of the 3%

<sup>1</sup> “Economist expect half-point interest rate cur by March,” USA Today, September 11, 2007.

sales tax. The Parks Fund and Parks Grant fund will receive 81.25% of the 3% sales tax to provide assistance to museums and the Old Bethpage Village for new exhibit revenue.

The following chart below depicts the hotel motel tax collections for the FY 07 budget, FY 07 projection, the FY 08 budget and the allocation of the three percent sales tax collection. The hotel motel FY 08 budget of \$3.6 million includes \$750,000 allocated to the Treasurer’s Office and \$2.8 million allocated to the Parks General Fund and Grant Fund. The FY 08 budget for the total hotel motel tax collection is an increase of \$94,000 over the FY 07 budget of \$3.5 million and a decrease of \$1.0 million compared to the FY 07 projection. In addition the FY 08 estimate is \$0.6 million less than the total tax collections of \$4.2 million in FY 06.

As of August 1, approximately \$3.2 million has been collected. The strong tax collections in FY 07 can be attributed to robust demand in the lodging and tourism industry. For more information regarding the robust growth please refer to the Parks, Recreations and Museums section. There appears to be an inconsistency in the FY 08 budget for the hotel motel tax collections. Since the Treasurer’s budget is increasing there should be an associated rise in the Parks Department for the allocation to remain in the proper ratio.

	FY 07 Budget	FY 07 Projection	FY 07 Projected Surplus	FY 08 Budget	Variance FY 08 Budget vs FY 07	NYS Allocation of 3% Sales Tax	Incorrect FY08 Allocation of 3% Sales Tax
<b>Treasurer</b>	656,250	843,750	187,500	750,000	93,750	18.75%	20.87%
<b>Parks Gen / Grant Fund</b>	2,843,750	3,656,250	812,500	2,843,750	0	81.25%	79.13%
<b>Total</b>	3,500,000	4,500,000	1,000,000	3,593,750	93,750	100.00%	100.00%

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 FY 08 budget is increasing \$200,000 from \$2.4 million in FY 07 to \$2.6 million. The FY 08 budget increase is more aligned with the FY 06 actual of \$2.6 million and the FY 07 projection of \$2.5 million

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. Through the first three-quarters of FY 07, \$98,000 has been collected. In FY 06 \$51,000 had been collected from the racetrack tax and in FY 05 \$167,000 was collected. The FY 08 budget is increasing \$15,000 from 40,000 in FY 07 to \$55,000.

Interest penalty on taxes, decreasing by \$2.2 million, is made up of interest and penalties collected on late and delinquent taxes, and various tax lien related items. The FY 07 projection of \$23.2 million is projected to fall short \$1.4 million from the FY 07 budget. Since the FY 07 projection falls short of the budget, the County Treasurer has estimated less in the FY0 08 budget. The Treasurer’s Office is currently working on a request for proposal (RFP) to sell a bulk of delinquent tax liens. There is approximately \$20.0 million in 18.0-19.0 year old delinquent tax liens that the County has not collected. There is no additional revenue included in the budget resulting from this initiative.



Departmental revenues are collected from such sources as the holding of cash bail, fees for bounced checks and court and trust fund cases and abandoned cash bail. This revenue source is increasing from \$420,000 in the FY 07 budget to \$610,000 in FY 08. The FY 07 projection for departmental revenues is \$609,000 therefore the FY 08 budget appears achievable.

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 06 Actual</b>	<b>FY 07 Budget</b>	<b>FY 07 Projected</b>	<b>FY 08 Proposed</b>
Miscellaneous Receipts	\$8,178	\$0	\$47,025	\$0
Court and Trust Fees	121,264	200,000	163,932	130,000
Cash Bail	262,866	180,000	275,865	300,000
Fees	111,423	40,000	122,580	50,000
Cash Bail Abandoned	131,048	0	0	130,000
	<b>\$634,779</b>	<b>\$420,000</b>	<b>\$609,402</b>	<b>\$610,000</b>

The FY 08 budget of \$130,000 in court and trust fees represents money in trust for the court (County, District or Civil) for an unsettled estate, foreclosure surplus or a trust and a two percent fee is assessed when the money is disbursed. Cash bail at \$300,000 is a sum of money exchanged for the release of an arrested person as a guarantee of that person’s appearance for trial and is deposited with the County Treasurer. When the Treasurer receives a court order for return of bail, bail is refunded less at a three percent fee. Of this amount, one percent is remitted to the Probation Department and the other two percent is recorded as cash bail. Miscellaneous fees represent various fees such as Landlord Administration Fees, Planning Escrow Account Administration Fees, Tax Deed Fees, Check Photocopy Fees and Insufficient Funds Fees. The FY 08 budget includes \$50,000 in fees.

The FY 07 projection of \$1.9 million for rents and recoveries results in surplus funds since there was no FY 07 budget. This revenue source is due to abandoned bail that has been unclaimed for more than seven years. The projection includes a one time adjustment for unreleased money from bail deposits from 1996. The County collected approximately \$100,000 per year from 1996. There is no anticipated revenue in FY 08 from this revenue source.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	44	44	45	41	41	0.0%
Salaries	\$2,328,473	\$2,509,006	\$2,500,938	\$2,513,048	\$2,595,025	3.3%
Misc OTPS	256,467	253,751	303,148	336,849	318,190	-5.5%
Contractual Services	490,854	1,006,225	948,551	551,560	110,239	-80.0%
Interdept Charge	162,402	9,359	0	0	0	*****
Other Suits & Damages	0	10,843,332	12,061,587	50,000,000	40,000,000	-20.0%
<b>Total</b>	<b>\$3,238,196</b>	<b>\$14,621,672</b>	<b>\$15,814,224</b>	<b>\$53,401,457</b>	<b>\$43,023,454</b>	<b>-19.4%</b>

As shown in the headcount chart above the headcount has declined from 45 in FY 06 to 41 in FY 08. Contrarily salaries have steadily increased over the past four years due primarily to overtime. In FY 05, as part of the Assessment and Assessment Review reform initiative, the department increased overtime to help accelerate tax refund payments. Contractual services have decreased from \$1.0 million in FY 05 to \$587,000 in FY 07 due to a decrease in miscellaneous contracts. Miscellaneous OTPS has slowly risen from \$256,000 in FY 04 to \$318,000 in FY 08. Miscellaneous OTPS is mostly comprised of general expenses to pay for advertising and public notice costs associated with publicizing the County’s annual tax lien sale.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries	\$2,674,614	\$2,513,048	\$2,635,540	\$2,595,025	(\$79,589)	\$81,977
BB	Equipment	9,615	9,115	18,949	18,949	9,334	9,834
DD	General Expenses	287,734	327,734	299,241	299,241	11,507	(28,493)
DE	Contractual Services	586,560	551,560	110,239	110,239	(476,321)	(441,321)
87	Other Suits & Damages	25,000,000	50,000,000	40,000,000	40,000,000	15,000,000	(10,000,000)
	<b>Total OTPS</b>	<b>25,883,909</b>	<b>50,888,409</b>	<b>40,428,429</b>	<b>40,428,429</b>	<b>14,544,520</b>	<b>(10,459,980)</b>
	<b>Grand Total</b>	<b>\$28,558,523</b>	<b>\$53,401,457</b>	<b>\$43,063,969</b>	<b>\$43,023,454</b>	<b>\$14,464,931</b>	<b>(\$10,378,003)</b>

The proposed FY 08 budget is increasing significantly by \$14.5 million to \$43.0 million in FY 08 due to other suits and damages. Starting in FY 07, this expense has been added to the Treasurer’s budget to pay tax certiorari payments. In FY 07, \$25 million was included in the Adopted Budget and \$25 million was subsequently transferred in the Treasurer budget from FY 06 surplus funds which explains the difference between the FY 07 budget and FY 07 projection. Previously, tax certiorari payments were paid from the County’s Capital Budget. To fund \$50 million in pay as you go tax certs, the Administration has budget \$40 million in the Treasurer’s department and will fund \$10 million from FY 07 surplus funds if available. If there is an insufficient surplus at the end of FY 07, the Administration will propose using undesignated fund balance.

Although the headcount is decreasing by four full-time positions, the FY 07 budget for salaries remains unchanged at \$2.6 million. The budget includes CSEA contractual salary increases and increased salaries for Claims Settlement Agents.

The FY 07 budget of \$299,000 for general expenses includes office supplies, postage expenses and other miscellaneous office supplies. The contractual services budget is decreasing significantly by \$476,000 to \$110,000 in FY 08 due to the removal of contracts with Exspan and JER who worked on collecting delinquent tax liens for the County.

<b>County Treasurer Staffing Analysis</b>						
	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	45	41	42	41	(4)	0

The proposed FY 07 staffing is a decrease of four full time positions from the FY 07 budget, and remains unchanged from the current staffing level. The change in headcount results from the removal of one Messenger, one Tax Collector and Claims Supervisor, one Accounting Assistant and one Deputy County Treasurer.

**GENERAL FUND UNALLOCATED REVENUES**

Revenues booked to Unallocated Revenues represent collections that are not credited to individual departments. Total FY 08 General Fund unallocated revenues are increasing by \$42.5 million, or 3.4% from the adopted FY 07 budget. The increase is predominantly a function of greater sales tax and General Fund property tax and increased state aid accounted for in unallocated revenues. The proposed FY 08 unallocated revenue budget assumes no fund balance.

<b>REVENUE BUDGET</b>							
Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.	
AA Fund Balance	\$10,000,000	\$10,000,000	\$0	\$0	(\$10,000,000)	(\$10,000,000)	
BD Fines & Forfeits	2,595,552	2,700,000	2,800,000	2,800,000	204,448	100,000	
BH Dept. Revenues	870,000	870,000	870,000	870,000	0	0	
BJ Interdept Revenues	55,604,280	55,604,280	55,604,280	55,604,280	0	0	
BO PILOT	5,914,000	7,604,800	6,306,000	6,306,000	392,000	(1,298,800)	
BS OTB Profits	3,030,000	3,030,000	2,792,000	2,792,000	(238,000)	(238,000)	
BW Interfund Charges	21,078,366	27,371,004	22,026,892	21,236,881	158,515	(6,134,123)	
SA State Aid	1,000,000	1,000,000	13,100,000	16,500,000	15,500,000	15,500,000	
TA Sales Tax-Ctywide	968,142,293	944,886,603	978,173,579	978,173,579	10,031,286	33,286,976	
TB Sales Tax-Part Cty	62,771,629	63,428,433	64,384,246	64,384,246	1,612,617	955,813	
TL Property Tax	123,962,486	127,366,722	138,962,486	148,775,545	24,813,059	21,408,823	
TO OTB 5 % Tax	6,500,000	6,500,000	6,500,000	6,500,000	0	0	
Total	\$1,261,468,606	\$1,250,361,842	\$1,291,519,483	\$1,303,942,531	\$42,473,925	\$53,580,689	

The major changes in the Unallocated Revenues section are detailed below:

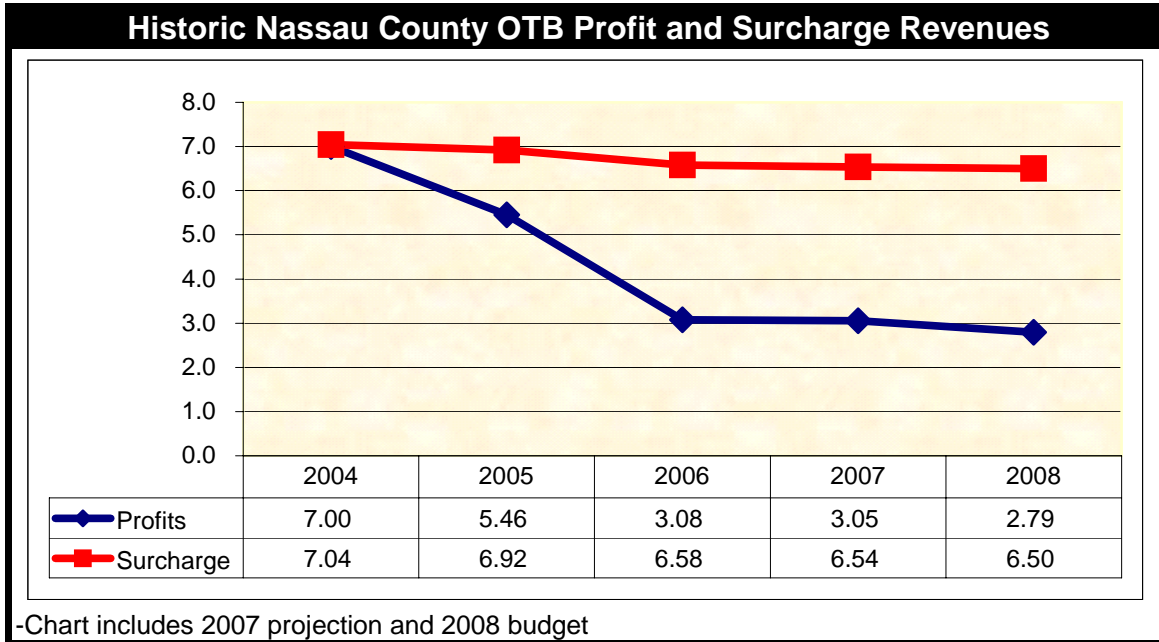
**Fines & Forfeits** This line is where the County budgets forfeited bail and fines derived from traffic and traffic related criminal fines. Forfeited bail revenues are increasing by \$50,000 from the FY 07 Adopted budget. The courts charge a 2% fee on refunded bail and 100% fee on forfeited bail. The fine revenues budgeted for in this line are levied by the Court System and recorded by the Treasurer. The Administration is appropriating an increase of \$154,448 in fines from the FY 07 Adopted Budget, for a total increase in the fines & forfeits category of \$204,448.

**Interdepartmental revenues** This revenue line, which is remaining flat at \$55.6 million, represents an allocation of indirect administration charges incurred by one department on behalf of another department. Corresponding expenses get booked to the department providing the service. These charges include payroll costs, purchasing, building operations and security.

**OTB Profits and 5% Surcharges** Nassau County derives two revenue streams from horseback racing. These revenue sources are entitled OTB Profits and OTB 5% Tax (Surcharge). OTB Profit collections are composed of the net profits generated by the Nassau Regional OTB. The OTB 5% Tax or Surcharge revenue represents collections from the 5% surcharge placed on all winning bets made at any of the six

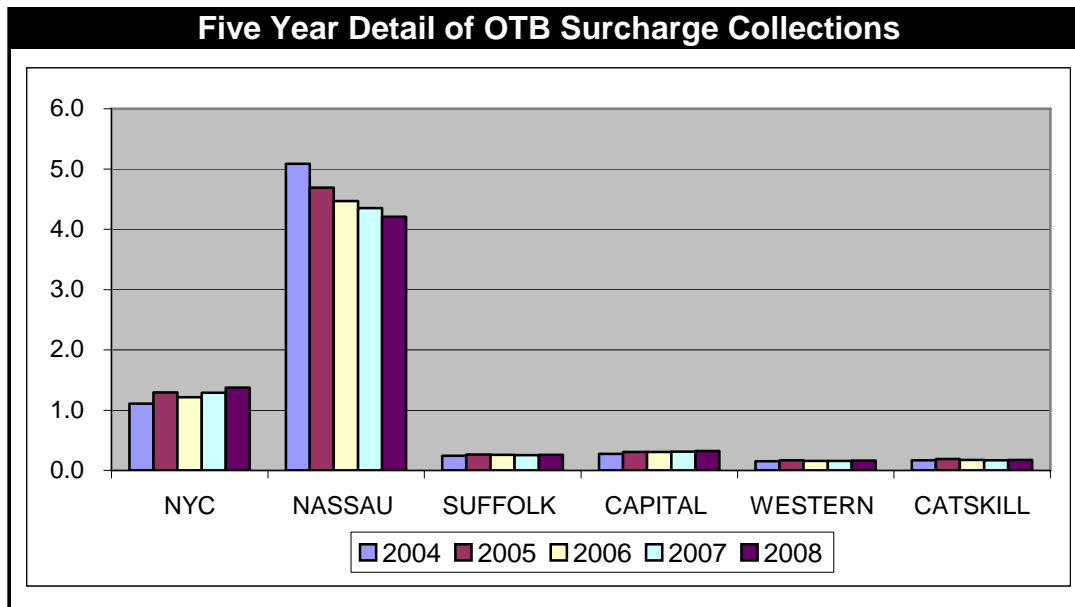
New York State OTBs, (New York City, Nassau County, Suffolk County, Western Regional, Capital Region and Catskill Regional) on races that occur at Belmont.

Historically, both revenue sources have declined over the past five years. The chart below details the five year history of both OTB profits and surcharge revenues. Surcharge revenues have remained relatively stable compared to the more precipitous decline recorded in profit revenues. OTB profits have declined as a result of higher fringe and pension costs, increased regulatory fees, the institution of a hold harmless agreement for night-time simulcasting, and a change in the accounting of labor capitalization costs.



The proposed 2008 budget freezes all OTB surcharge revenues at their Adopted 2007 amount. The proposed 2008 budget includes an 8.6% decrease in OTB profits, which may be low given that 2007 OTB profit collections are projected to surpass their budget allocation by \$24,436 or 0.8%.

An itemization of the OTB surcharge revenues reveals that although, Nassau regional OTB surcharge payments have constituted 67.9% of all county surcharge collections over the past five years, those payments are the only ones to experience a five year decrease. The other five OTB surcharge sources, (New York City, Suffolk County, Western Regional, Capital Regional, and Catskills Regional) have recorded increases over the past five years. The chart below details the OTB surcharge collections over the past five years.



The 2008 proposed budget holds all surcharge revenues constant at their Adopted 2007 amount. Compared to the 2007 projection, excluding Nassau Regional surcharge revenues, all surcharge revenue sources are budgeted to experience an increase. Nassau OTB surcharge revenues are budgeted to experience a 3.3% decline relative to their 2007 projection.

The multi-year plan holds all out-year surcharge revenues constant at their Adopted 2007 Budget. The multi-year plan assumes an annual decrease in OTB profits in 2009, 2010 and 2011. These revenue amounts appear prudent given their five year history.

The recent memorandum of understanding signed between New York State and NYRA pledges to use revenues derived from the institution of video lottery terminals at Aqueduct to improve the racing facilities and increase the racing purses at Belmont Park.<sup>1</sup> To the extent that these goals are achieved in 2008, it is possible that all OTB related revenues will exceed their budgeted amounts since the budget does not assume any increase in park attendance or total handle.

**Inter-fund charges (revenue)** Inter-fund revenues are increasing by a marginal 0.8% (\$158,000) over FY 07, but showing a 22.4% decrease as compared to FY 07 projections. 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. The Sewer and Storm Water District budgets these expenses under interdepartmental charges to reimburse the General Fund for costs incurred on behalf of the Sewer and Storm Water District Fund.

**Sales Tax** Total sales tax revenues in the proposed FY 08 budget are increasing by \$11.6 million over the FY 07 Adopted Budget and by \$34.2 million over the FY 07 projection. For a more detailed analysis, see the sales tax section in the Executive Summary.

<sup>1</sup> “Governor Spitzer Recommends Restructured NYRA Be Awarded Thoroughbred Racing Franchise”, <http://www.ny.gov/governor/press/index.html>, September 4, 2007.

**Property tax** In FY 08, the General Fund allocation of County property tax collections are showing an increase of 20.0%. For more discussion of the FY 08 property tax changes on all funds see the Executive Summary.

**State aid:** State aid unallocated revenue is estimated to increase by \$15.5 million in what the Administration describes as various State Legislative items. Nassau County is seeking State approval from numerous items that will increase County revenue, of which many are included as potential gap closers. Foremost amongst the State Legislative items is the Uniform Filing Fee bill. Currently, Assembly bill 9295 and Senate bill 6399 are under consideration of the State Legislature. If passed, Nassau County would be able to opt into the higher fee schedule. The current fee structure for the recording, entering, indexing and endorsing of real property documents is increasing from \$5 to \$20 and will increase the per page fee from \$3 to \$4.

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. Such claims include service-connected compensation, widow’s benefits, educational benefits, hospitalization and dental care, along with mortgages and tax exemptions on real property. The Agency will continue to embark upon an initiative to allow veterans to replace the benefits they receive from the Department of Social Services with veteran benefits. The Agency claims this will increase the amount of benefit received by the veteran and 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. Veteran Services staffs two employees at the Department of Social Services work site

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	8	9	9	9	9	0.0%
Salaries	\$522,698	\$547,953	\$581,535	\$615,347	\$635,383	3.3%
Misc OTPS	47,931	3,747	2,651	14,421	28,300	96.2%
Contractual Services	0	0	700	700	700	0.0%
<b>Total</b>	<b>\$570,630</b>	<b>\$551,700</b>	<b>\$584,886</b>	<b>\$630,468</b>	<b>\$664,383</b>	<b>5.4%</b>

Historical expenses have been steadily increasing since 2004 due to a steady rise in salaries offset by fluctuations in miscellaneous OTPS costs. The Agency had an increase in expenditures of \$15,006 or 2.7% in FY 04 and a decrease of \$18,930 or 3.3% in FY 05. The increase and decrease over the two year period are attributed to the irregular charge for equipment expenses in 2004. The FY 08 proposed budget will have a 5.4% or \$32,034 increase in expenditures over OLBR’s FY 07 projection.



<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 07 Proj.</b>
AA	Salaries, Wages & Fees	\$644,137	615,347	\$635,383	\$635,383	(\$8,754)	\$20,036
DD	General Expenses	14,421	14,421	28,300	28,300	13,879	13,879
DE	Contractual Services	700	700	700	700	0	0
	<b>Total OTPS</b>	<b>15,121</b>	<b>15,121</b>	<b>29,000</b>	<b>29,000</b>	<b>13,879</b>	<b>13,879</b>
HF	Inter-Depart Charges	242,006	242,006	478,561	478,561	236,555	236,555
	<b>Grand Total</b>	<b>\$901,264</b>	<b>\$872,474</b>	<b>\$1,142,944</b>	<b>\$1,142,944</b>	<b>\$241,680</b>	<b>\$270,470</b>

OLBR is projecting FY 07 salaries to be \$615,347, which is \$28,790 less than FY 07's Adopted Budget. One Veterans Counselor I position remained vacant in 2007 and has been removed from the FY 08 salary budget. The proposed budget is \$20,036 more than projected by OLBR, mainly to cover the cost of anticipated CSEA contractual raises.

The general expenses FY 08 budget is growing 92%, or \$13,879 over the FY 07 budget and projection. The increase is a result of rising miscellaneous supplies and expenses. The growth in general expenses is directly related to imaging costs associated with the Health & Human Services scanning project. The contractual services account will include expenses for software contracts in the amount of \$700.

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 Veteran Services. The interdepartmental charges will almost double from \$242,006 in FY 07 to \$478,561 in FY 08 primarily due to increases in IT charges and building occupancy charges.

<b>Veterans Services Agency Staffing Analysis</b>							
	<b><u>FY 07 Adopted</u></b>	<b><u>Sept-07 Actual</u></b>	<b><u>FY 08 Request</u></b>	<b><u>FY 08 Executive</u></b>	<b><u>Exec. vs 07 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>	
Full-time Staffing	10	9	9	9	(1)	0	

The staffing levels will remain consistent with September 07 actuals.

<b>Historical Revenue</b>						
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Rents & Recoveries	\$21	\$158	\$0	\$0	\$0	0.0%
Interfund Charges	0	115,340	68,467	0	0	*****
State Aid	0	67,500	35,000	35,000	35,000	0.0%
<b>Total</b>	<b>\$21</b>	<b>\$182,998</b>	<b>\$103,467</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>0.0%</b>

The Agency has experienced a decline in revenue since FY 05 because of the loss of interfund charges. State aid for FY 04 was received after the close of books, so was posted in FY 05. State aid has since remained flat.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 07 Budget</b>	<b>OLBR FY 07 Projection</b>	<b>FY 08 Dept. Request</b>	<b>FY 08 Exec. Budget</b>	<b>Variance Exec. vs Adopted 07</b>	<b>Variance Exec. vs FY 07 Proj.</b>
BJ Interdepartmental Revenues	826,990	826,990	\$1,131,801	\$1,131,801	\$304,811	\$304,811
SA State Aid - Reimbursable	35,000	35,000	35,000	35,000	0	0
<b>Total</b>	<b>\$861,990</b>	<b>\$861,990</b>	<b>\$1,166,801</b>	<b>\$1,166,801</b>	<b>\$304,811</b>	<b>\$304,811</b>

The department’s FY 08 aggregate revenue budget will increase by \$304,811 over the current year. State aid revenue will remain flat with the FY 07 Adopted Budget and FY 07 projection. The County receives \$5,000 from New York State for the first 100,000 persons plus \$2,500 for each additional 100,000 residents. The Administration has also allocated \$1.1 million in interdepartmental revenue for FY 08. 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**

Nassau County’s Youth Board works to coordinate, sponsor and evaluate youth development services in Nassau County. The Youth Board is responsible for the oversight of over 78 youth and family development contracts which serve 35,000 youth and families. Over 70% of the contract agencies are physically located and serve in the top 15 “high-need” communities. Youth Board policy and funding guidelines integrate the youth development philosophy into all aspects of contract services: after-school, runaway/homeless, youth leadership and community-service learning, teenage pregnancy/HIV/AIDS prevention, juvenile justice, family life education, crisis intervention, violence and gang prevention, cultural enrichment, employability skills, summer programs, summer lunch, limited english proficiency and leisure time programs.

<b>Historical Expenditures</b>						
	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Actual</b>	<b>FY 07 Projected</b>	<b>FY 08 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	7	7	6	5	7	40.0%
Salaries	\$514,490	\$545,592	\$454,604	\$415,353	\$554,707	33.6%
Inter-depart charges	48,995	297,194	442,317	741,928	717,008	-3.4%
Misc OTPS	480	0	7,178	10,670	10,136	-5.0%
Contractual Services	7,364,861	7,433,341	8,506,996	9,080,196	8,233,196	-9.3%
<b>Total</b>	<b>\$7,928,826</b>	<b>\$8,276,127</b>	<b>\$9,411,095</b>	<b>\$10,248,147</b>	<b>\$9,515,047</b>	<b>-7.2%</b>

From an historical perspective, since FY 04, total funding for the Youth Board has increased from \$7.9 million in FY 04 to \$9.5 million in FY 08. The drop in FY 06 and FY 07 salaries is due to the loss of one full time position in each year. The FY 08 budget proposes full-time staffing restoration to seven full-time positions. Contractual services have increased throughout the years as the Youth Board continues to expand funding for the youth violence and gang prevention intervention initiative, and other programs to meet the changing demographics of Nassau County’s youth population. The drop in contractual services in FY 08 results from the removal of non-recurring funds that were approved in FY 07.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Executive	Variance Executive vs Adopted	Variance Executive vs FY 07 Proj.
AA	Salaries	\$563,942	\$415,353	\$554,707	\$554,707	(\$9,235)	\$139,354
DD	General Expenses	11,693	10,670	10,136	10,136	(1,557)	(534)
DE	Contractual Services	9,138,196	9,080,196	8,233,196	8,233,196	(905,000)	(847,000)
	<b>Total OTPS</b>	<b>9,149,889</b>	<b>9,090,866</b>	<b>8,243,332</b>	<b>8,243,332</b>	<b>(906,557)</b>	<b>(847,534)</b>
HF	Inter-Depart Charges	741,928	741,928	717,008	717,008	(24,920)	(24,920)
	<b>Grand Total</b>	<b>\$10,455,759</b>	<b>\$10,248,147</b>	<b>\$9,515,047</b>	<b>\$9,515,047</b>	<b>(\$940,712)</b>	<b>(\$733,100)</b>

As shown in the chart above, the FY 08 Executive budget for the Youth Board is \$9.5 million, which is 9.0% less than the FY 07 adopted budget and a 7.2% decrease from the FY 07 projection. The decrease from the FY 07 budget is due to a decline in each expense category. Although headcount is decreasing, the salary budget is only decreasing by 1.6% due the creation of a higher level Clerk position, and a cost of living adjustment (COLA) and step increase for Civil Service Employees Association (CSEA) employees Salaries are more than sufficient to cover the costs of the seven budgeted full-time employees. The 13% decrease in general expenses from the FY 07 budget is due to a decrease in postage delivery expenses and educational and training supplies.

Contractual services, experiencing the largest decline, represents 86.5% of the total proposed FY 08 proposed budget. Contractual services have been reduced by \$905,000 or 9.9% from FY 07. Of this amount \$150,000 has been transferred to the Department of Social Services (DSS) to operate the New York State Education Department and Summer Food Service Program. DSS began to take on the role of the Summer Lunch program during this past year but the transition will be fully accomplished in FY 08.

The remainder of the decline in contractual services is due to the removal of non-recurring funds. Last year the Youth Board received \$1.0 million in non-recurring funds of which \$700,000 are to be spent in FY 07 and the remaining \$300,000 to be spent in FY 08. The \$700,000 spent in FY 07 includes \$300,000 in legislative grants and \$400,000 allocated to agencies through a request for proposal (RFP) for non-recurring funds. The \$300,000 in legislative grants were used to fund such activities as for after-school programs, leisure time activities and parent support groups. The following chart itemizes the \$300,000:

2007 LEGISLATIVE GRANTS

AGENCY	AMOUNT
Eager to Serve	16,500
Nautilus Development Corp	16,500
Community Wellness Council-Bellmore/Merrick	20,000
Wantagh Foundation	13,500
Merrick UFSD-Parent University	5,000
Wantagh Union Free School	7,500
PAL-Special Needs	12,000
Nassau County Explorers	7,000
Community Parent Center	20,000
Freeport Pride	15,000
Seaford Wellness Council	10,000
Long Island Crisis Center	5,000
Uniondale Community Center	75,000
Advisory Council for the Youth of Mineola	6,500
Big Brothers Big Sisters of Long Island	8,000
Circulo de la Hispanidad	10,250
COPAY	7,500
Freeport Pride	6,000
La Fuerza Unida	8,000
Littig House	8,000
Tempo Group	9,000
YES Community Counseling Center	6,000
Yours, Ours, Mine Community Center	18,500
<b>Subtotal Contracts</b>	<b>310,750</b>

In FY 07, the department received nearly \$1.0 million in requests from contract agencies to spend the \$400,000 on non-recurring funds. According to the department, many agencies sent in good proposals for the use of the one time funding. Examples include the development of organizational alliances, associations, mergers and or service collaborations to enhance organizational efficiency, capacity and or service delivery, board development and efforts to strengthen organizational internal controls and shared purchasing of commodities. The chart on the following page lists the agencies that received the \$400,000 in non-recurring funds for one time improvements.

<b>Agency</b>	<b>Funding</b>
BiasHelp	19,000
City of Glen Cove Youth Bureau	21,500
Family and Children's Association	24,324
Five Towns Community Center	31,156
Five Towns Community Center	21,424
Gateway Youth Outreach	22,000
Hicksville Youth Council	21,248
Hispanic Brotherhood of Rockville Center	20,000
Hispanic Counseling Center	24,324
Long Island Advocacy Center	23,495
Long Island Crisis Center	24,322
Manhasset/Great Neck EOC	23,445
Nassau County Coalition Against Domestic Violenc	18,854
North Shore Boys & Girls Club	23,000
S.T.R.O.N.G. Youth	23,260
Uniondale Community Council	24,324
Westbury Community Improvement	34,324
	<b>400,000</b>

The last remaining \$300,000 of the \$1.0 million remains in the contractual services FY 08 budget to be used for Community Optional Preventative Program (COPS). Services provided under this program are to help children deter from juvenile delinquency. The intent is to keep young people involved in community activities such as after school programs, exploring job employment opportunities and technical schools.

<b>Office of Templates Staffing Analysis</b>						
	<u>FY 07 Adopted</u>	<u>Sept-07 Actual</u>	<u>FY 08 Request</u>	<u>FY 08 Executive</u>	<u>Exec. vs 07 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	9	5	7	7	(2)	2
Part-time and Seasonal Staffing	1	0	0	0	(1)	0

The Youth Board's staffing level has decreased by two full-time positions and one part-time position from the FY 07 budget. However the FY 07 budget mislabeled an Auditing Assistant I seasonal position as full-time, therefore the true full-time headcount is only decreasing by one full-time position. The removed positions include a full-time Accountant Assistant, a seasonal Auditing Assistant and one part-time Program Coordinator. The full-time position has been vacant since the start of the year. The seasonal Auditing Assistant and part-time coordinator manage the Summer Food Service Program. Since DSS will be handling the program going forward these positions have been removed from the FY 08 budget. The department has yet to fill the Commissioner position which has been vacant since

2006. The Administration has interviewed a number of candidates for the Youth Board Executive Director position and is the final stages of selecting a candidate.

Historical Revenue						
	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Projected	FY 08 Exec.	% Change Proj./Exec.
State Aid	\$1,599,555	\$1,761,111	\$1,542,951	\$1,553,753	\$1,616,155	4.0%
Rents & Recoveries	115,313	172,437	93,153	0	0	*****
Interfund Charges/Rev	50,000	0	(378)	0	0	*****
Interdepartment Revenues	(8,399)	18,835	0	0	0	0.0%
<b>Total</b>	<b>\$1,756,469</b>	<b>\$1,952,383</b>	<b>\$1,635,726</b>	<b>\$1,553,753</b>	<b>\$1,616,155</b>	<b>4.0%</b>

Revenues sources for the Youth Board are grant and state based funding. Historically revenue has varied from a low of \$1.6 million in FY 06 to a high of \$2.0 million in FY 05. The decline in state aid from FY 06 is due to a decline in New York State per capita rates. Funding from the State is based on per youth population allowance or a per capita rate for youths between the ages of 0-20 based on census population data in Nassau County. The per capita rate was reduced from a high of \$4.72 in 2004 to \$4.44 in 2006. The current reimbursement rate at \$4.52 will increase to \$4.68 in FY 08. The decline in FY 07 total revenue results from the removal of rents and recoveries.

REVENUE BUDGET							
Revenue Class	Adopted FY 07 Budget	OLBR FY 07 Projection	FY 08 Dept. Request	FY 08 Exec. Budget	Variance Exec. vs Adopted 07	Variance Exec. vs FY 07 Proj.	
AA Fund Balance	\$400,000	\$400,000	\$0	\$0	(\$400,000)	(\$400,000)	
BF Rents & Recoveries	401,000	401,000	0	0	(401,000)	(401,000)	
SA State Aid - Reimbursable	1,553,753	1,553,753	1,616,155	1,616,155	62,402	62,402	
<b>Grand Total</b>	<b>\$2,354,753</b>	<b>\$2,354,753</b>	<b>\$1,616,155</b>	<b>\$1,616,155</b>	<b>(\$738,598)</b>	<b>(\$738,598)</b>	

The FY 08 revenue budget is decreasing by \$739,000 from FY 07 to \$1.6 million in FY 08. The decrease is due to the removal of \$400,000 in fund balance and \$401,000 in rents and recoveries. The FY 07 fund balance represents the \$400,000 in non-recurring funds. The FY 07 budget for rents and recoveries represents reimbursement from the State under Article 6 for the COPS program. In FY 08, this revenue is budgeted in the Department of Social Services (DSS).

The total funding of \$1.6 million in state aid is made up of \$62,566 for the Youth Bureau, \$978,560 for Youth Services and \$575,000 for runaway and homeless. The state aid budget is increasing by \$62,000 from FY 07 budget. The County is required to match state aid.

The following chart represents the allocation of the Youth Board’s contractual services funding by agency:

**NASSAU COUNTY YOUTH BOARD**  
**2008 Contracts**

<b>Vendor Name</b>	<b>2008 Requested Budget</b>
Advisory Council for the Youth of Mineola	199,500
Advisory Council for the Youth of Mineola-Helping Youth Reach Their Potential	75,000
Bias Help	60,000
Big Brothers /Big Sisters of Long Island	46,000
Circulo de la Hispanidad	174,810
City of Glen Cove Youth Bureau	73,079
Community Wellness Council for the Bellmores/Merricks	25,000
Concerned Citizens for Roslyn Youth	151,467
COPAY, Inc	30,000
EAC-Mediation Alternative Project	49,969
E.O.C. of Nassau County, Inc.	175,000
FCA/Nassau Haven	403,423
FCA/PACT (Parents and Children Together)	269,540
FCA/Walkabout for Young Men & Women	368,546
FCA/YAPP (Youth Adult/Participation Program)	119,523
FCA/Youth and Community Development	814,072
FCA/- COLLABORATION Administration	25,000
Five Towns Community Center	328,821
Five Towns Community Center-Youth Violence and Gang Prevention Project	75,000
Floral Park Youth Council	15,000
Freeport Pride, Inc.	256,590
Freeport Pride, Inc.-Youth Direction Initiative	100,000
Gateway Youth Outreach	268,218
Gateway Youth Outreach - COLLABORATION	20,000
Gateway Youth Outreach-GIPP Gang Intervention Prevention Project	50,000
H.E.V.N., Inc.	60,000
Hempstead Hispanic Civic Association	50,000
Hicksville Teen-Age Council	161,712
Hispanic Brotherhood of Rockville Centre	90,086
Hispanic Counseling Center	168,010
I Support Roosevelt Committee	246,206
La Fuerza Unida de Glen Cove	138,006
Littig House Community Center	145,568
Littig House Community Center- COLLABORATION	15,000
Long Beach Martin Luther King Center	209,630
Long Beach REACH	263,496
Long Beach Reach-Reach for Peace	35,000
Long Island Advocacy	70,193
Long Island Crisis Center - Runaway Homeless Youth	125,794
Long Island Crisis Center - Middle Earth Hotline	132,219
Long Island Crisis Center-True Colors	60,000
Long Island Hispanic Pastoral Association, Inc. - Gang Prevention/Educ Workshops	24,000
Manhasset/Great Neck E.O.C.	101,429



**NASSAU COUNTY YOUTH BOARD**  
**2008 Contracts**

<b>Vendor Name</b>	<b>2008 Requested Budget</b>
Nassau County Coalition Against Domestic Violence	59,314
North Shore Boys and Girls Club, Inc.	35,000
North Shore Child & Family Guidance Association	50,000
Operation Get Ahead, Inc.	100,000
Project Challenge of Long Island, New York	45,000
STRONG, Inc.	125,000
STRONG, Inc.-GIPP Gang Intervention Prevention Project	100,000
Tempo Youth Services	15,000
Tempo Youth Services / Success at Mepham	20,000
Time Out Club of Hempstead, Inc.	182,000
Uniondale Community Council	168,744
Westbury Community Improvement Corporation, Inc.	174,074
YES Community Counseling Center	215,508
YES Community Council-S.O.S.-Street Outreach and Support	50,000
Yours, Ours, Mine Community Center	238,649
Youth & Family Counseling of OB/EN	72,000
<b>Subtotal Contracts</b>	<b>7,920,196</b>

The following schedule details the Grant Funding for FY 08. The two grants include \$563,499 for the NYS Office of Children and Family Services and \$100,000 for NYS Department of Health.

**Nassau County Youth Board: Grant Schedule 2008**

<b>GRANTS</b>	<b>AMOUNT</b>	<b>DATE</b>
New York State Office of Children and Family Service Special Delinquency Prevention Program (S.D.P.P.)	<b>\$563,499</b>	01/01/2008 - 12/31/2008
New York State Department of Health - Aids Institute Assets Coming Together for Youth Initiative	<u><b>100,000</b></u>	07/01/2008 - 06/30/2008
<b>TOTAL</b>	<b>\$663,499</b>	

The Youth Board has received SDPP funding from the State Office of Children and Family Services for over 20 years. SDPP is a special grant initiative targeted for youth with special needs. Services supported by these funds are aimed at keeping youth from becoming involved in the juvenile justice system or becoming chronically dependent on the human service system.

The Project W.O.R.D. (We're, On, Real, Direction), the community development planning initiative will facilitate a countywide planning process in collaboration with youth, parents, community-based providers, County Departments, faith-based organizations and the broader community to define youth assets/needs and articulate an Agenda to promote increased opportunities for positive youth development throughout Nassau County. A comprehensive profile of Nassau's youth and families will be created and opportunities for professional development facilitated. This Act for Youth Agenda will serve as a platform for policy and program development and to facilitate community-service learning

projects throughout Nassau County. Youth (ages 10-19) and adults will work in partnership to define an agenda that will serve as a platform to “seed” community-service learning opportunities throughout Nassau County.