



# **NASSAU COUNTY LEGISLATURE**

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**Office of Legislative Budget Review**

**Review of the  
Fiscal Year 2007 Budget  
&  
Multi-Year Plan**

**Departmental Analysis**

**Eric C. Naughton, Director**

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ERIC C. NAUGHTON  
DIRECTOR  
OFFICE OF LEGISLATIVE  
BUDGET REVIEW

**NASSAU COUNTY LEGISLATURE**  
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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

A handwritten signature in black ink, appearing to be "E. Naughton", written over the "From:" line.

From: Eric C. Naughton, Director  
Legislative Budget Review

Date: October 18, 2006

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

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The enclosed document contains an analysis of the FY 07 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 06 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 07 budget to actual staffing levels as of September 1, 2006, as well as to the FY 06 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 [www.nassaucountyny.gov/official/county/agencies/OLBR](http://www.nassaucountyny.gov/official/county/agencies/OLBR).



# *Nassau County*

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District 1

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**Lisanne Altmann**  
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**David Mejias**  
District 14

**Diane Yatauro**  
District 18

**David Denenberg**  
District 19

**Peter J. Schmitt**, Minority Leader  
District 12

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District 3

**Denise Ford**  
District 4

**Francis X. Becker**  
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**Vincent Muscarella**  
District 8

**Richard Nicoletto**  
District 9

**Norma Gonsalves**  
District 13

**Dennis Dunne**  
District 15

**Edward Mangano**  
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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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	128	153	202	251	235	-6.4%
Salaries	\$5,872,328	\$7,015,631	\$9,514,557	\$11,736,968	\$12,587,466	7.2%
Misc OTPS	469,105	612,475	818,299	1,192,705	1,192,705	0.0%
Contractual Services	2,035,407	1,001,067	5,952,738	1,302,367	2,405,106	84.7%
<b>Total</b>	<b>\$8,376,840</b>	<b>\$8,629,173</b>	<b>\$16,285,594</b>	<b>\$14,232,040</b>	<b>\$16,185,277</b>	<b>13.7%</b>

In January of 2003 the first 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 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. In FY 03 the CLT costs were budgeted for in the Miscellaneous department, rather than in the Assessment Department. As can be seen in the chart above, however, the department's headcount has increased from 128 full-time positions in FY 03 to the 251 positions currently on payroll, with a related rise in salaries from \$5.9 million to \$12.6 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 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Proposed</b>	<b>Proposed vs Adopted</b>	<b>Proposed vs FY 06 Proj.</b>
AA	Salaries	\$11,375,158	\$11,524,449	\$13,306,927	\$12,587,466	\$1,212,308	\$1,063,017
BB	Equipment	332,707	332,707	332,707	332,707	0	0
DD	General Expenses	859,998	859,998	859,998	859,998	0	0
DE	Contractual Services	1,502,367	1,302,367	2,405,106	2,405,106	902,739	1,102,739
	<b>Total OTPS</b>	<b>2,695,072</b>	<b>2,495,072</b>	<b>3,597,811</b>	<b>3,597,811</b>	<b>902,739</b>	<b>1,102,739</b>
	<b>Grand Total</b>	<b>\$14,070,230</b>	<b>\$14,019,521</b>	<b>\$16,904,738</b>	<b>\$16,185,277</b>	<b>\$2,115,047</b>	<b>\$2,165,756</b>

The budget proposed for the Department of Assessment is \$16.2 million, a \$2.1 million, or 15.0% increase over the current year. The additional funding is requested for salaries (\$1.2 million) and contractual services (\$902,739).

The proposed 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 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. The FY 06 budget does not include funding for the CLT contract because the \$2.0 million due was pre-paid in FY 05.

Other services provided by contract include field pictometry aerial imaging, data processing maintenance and mainframe code modification. The department also has an agreement with an employment agency to provide temporary workers when needed. The remainder of the OTPS codes are staying at the current year's amount.

The salaries budget is increasing by 10.7%, from \$11.4 million to \$12.6 million. This results from the annualization of the salaries for the 59 new positions that were authorized in the current year's budget. Those positions were funded at \$1.5 million, or 50% of annual salary, in the expectation that the hiring would be staggered throughout the year. OLBR is projecting that salaries in the current year will exceed budget by about \$150,000.

Proposed full-time headcount of 235 is 12 positions less than in the current budget, and 16 fewer than the 251 employees that were on payroll as of October 1, 2006. The proposed full-time salaries allocation will be insufficient to fully fund the number of positions currently filled. Without attrition, a deficit of approximately \$386,000 would result.

The department is made up predominantly of CSEA members, with a small number of ordinance employees. The County Assessor, an elected official who serves as Chairman of the Board of Assessors, and the members of that Board, make up the remaining the staff. The CSEA contract will provide a CPI-based salary adjustment as of January 1, 2007 of 3.5%, in addition to a step increase. Authorized part-time staffing will remain at seven positions.

<b>Department of Assessment Staffing Analysis</b>						
	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	247	236	265	235	(12)	(1)
Part-time and Seasonal	7	7	7	7	0	0

The budget as proposed contains 30 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 \$857,861. 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 Real Property Tax Specialists, Commercial Industrial Assessor Appraisers, Statistician, and various clerical, accounting, and administrative support staff. Although all of the positions were removed, funding of \$138,400 was included in the proposed budget. This is intended to fund next year’s graded service plan steps for CSEA employees and the hiring of interns.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$2,571	\$1,153,173	\$0	\$0	0.0%
Department Revenues	230,715	193,850	176,210	154,561	245,000	58.5%
State Aid	368,527	870,370	1,362,144	850,000	800,000	-5.9%
<b>Total</b>	<b>\$599,242</b>	<b>\$1,066,791</b>	<b>\$2,691,527</b>	<b>\$1,004,561</b>	<b>\$1,045,000</b>	<b>4.0%</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. State aid has fluctuated somewhat. Starting in FY 04 the department began to receive state aid of \$5 per parcel for the annual updating of its roll. Department revenues have been fairly constant over the period.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BH Department Revenues	\$245,000	\$154,561	\$245,000	\$245,000	\$0	\$90,439
SA State Aid - Reimb. Exp.	800,000	850,000	800,000	800,000	0	(50,000)
<b>Total</b>	<b>\$1,045,000</b>	<b>\$1,004,561</b>	<b>\$1,045,000</b>	<b>\$1,045,000</b>	<b>\$0</b>	<b>\$40,439</b>

The proposed FY 07 revenue budget is unchanged from FY 06. The County will continue to receive \$5 per parcel for its updating of the roll. Although Nassau has some 416,000 parcels, the state caps its aid at \$500,000. The department also receives state aid for costs associated with the implementation of the School Tax Relief program (STAR), which provides a partial exemption from school property taxes for owner-occupied, primary residences. The amount received in FY 05 for STAR related reimbursement was \$370,000, and approximately \$350,000 is projected for the current year and \$300,000 in FY 07.

The department 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 budget is remaining flat in FY 07, the FY 06 actuals are coming up short by \$90,000.

ASSESSMENT REVIEW COMMISSION

The Assessment Review Commission (ARC) reviews property assessment claims upon application by taxpayers in order to provide timely and appropriate relief from excessive valuations. ARC, a quasi-judicial arm of the County serves to monitor and improve assessment accuracy. As of December 31, 2005, in order to sustain the \$50 million annual operating budget appropriation as per the MYP, the County’s outstanding liability for tax certiorari liability was greatly reduced to \$131 million, more than \$100 million below the targeted amount. To utilize the authority to bond refund payments under the NIFA Act, the County accelerated its claim resolution in 2004 and 2005 by implementing a refund without settlement program at the end of 2005. As a result, the County’s backlog of unpaid new and old liability was reduced to \$131 million. FY 2007 will be the first year that the County will appropriate operating funds to cover tax certiorari payment costs.

To begin transitioning to the County’s pay-as-you go policy, during FY 06, property tax refunds were paid using prior years’ surplus funds from transitional funding sources. These included the debt service fund, 840 account deposits and recoveries of 2003 storm water expenses, as shown below. The 840 account is part of the Capital Projects Fund into which revenues such as state and federal grants are deposited for the purpose of retiring debt or paying debt service for various General Fund projects.

<b>FY 06 Tax Refund Funding</b>	
<b>(In millions)</b>	
<b>Source</b>	<b>Amount</b>
<b>Transitional Funding</b>	
Debt Service Fund	\$10.0
840 Account Deposit	25.0
Sewer & Storm Water Disticts (*)	15.0
	\$50.0

(\*) Recoveries of 2003 storm water expenses

Of the \$25.0 million remaining in transitional borrowing authority during 2006 and 2007 to pay for pre-2001 proceedings, ARC estimates that \$2.0 million has already been spent, and projects \$5.0 million for 2006. 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. For FY 07, the Administration has appropriated \$25.0 million in the Treasurer’s office to pay for tax refunds. The County will commit its first \$25.0 million in 2006 anticipated operating surplus to fund the remaining tax certiorari settlements to keep within the goals of PAYGO funding.

Detailed in the chart below, total administrative appeals have increased by 62.9% since 2002-2003. The number of appeals for residential parcels declined slightly for 2007-2008, by 4.8%, from 128,000 to 122,000 appeals this year. Commercial appeals have remained static. Approximately 53% of appeals are resolved at the administrative level, and 44% are sent to Small Claims.

<b>Administrative Appeals Assessment Review Commission</b>						
	Tax Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Residential Appeal	61,028	98,984	141,043	106,678	128,220	122,027
Commercial Appeal						
Class 2: Apartments	3,959	4,153	4,272	4,177	4,259	4,453
Class 3: Utilities	89	89	89	89	89	281
Class 4: Other	14,056	14,078	15,144	14,070	13,871	13,636
Commercial Appeals	18,104	18,320	19,505	18,336	18,219	18,370
Total Appealed	79,132	117,304	160,548	125,014	146,439	140,397
Duplicate Filings	11,544	10,830	12,832	7,457	9,113	7,293
Total Appeals	90,676	128,134	173,380	132,471	155,552	147,690

The number of proceedings filed this year and in the past two years follows:

<b>COMMERCIAL/SMALL CLAIMS PROCEEDINGS</b>			
	2004-2005	2005-2006	2006-2007
Commercial cases	12,606	12,438	10,277
Small claims	46,564	36,731	56,834

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. As a result, Small Claims filing increased in 2006 to 56,000.

Looking at ARC's budget, the greatest increase in regards to the historical trend is expenditure for salaries, which is consistent with growing headcount a propos ARC's earlier FY 03 reform strategy. The 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.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	28	27	37	46	43	-6.5%
Salaries	\$1,799,651	\$2,063,063	\$2,706,632	\$3,220,587	\$3,693,610	14.7%
Misc OTPS	100,956	53,397	85,510	191,360	176,560	-7.7%
Contractual Services	\$4,505,000	\$1,511,871	\$1,132,590	1,790,000	1,680,000	-6.1%
<b>Total</b>	<b>\$6,405,607</b>	<b>\$3,628,331</b>	<b>\$3,924,732</b>	<b>\$5,201,947</b>	<b>\$5,550,170</b>	<b>6.7%</b>

The proposed FY 07 budget for the Assessment Review Commission is \$5.6 million, up by 0.1% from the \$5.5 million adopted in the FY 06 budget and 6.7% greater than the \$5.2 million projected for 2006. Compared to the FY 06 adopted budget, expenditures for all OTPS categories are decreasing including a 45.0% decline in equipment, a decrease of 8.0% for general expenses and 6.1% lower contractual services costs. An increase in salaries by 4.1% partially offsets the total 7.1% decline in OTPS resulting in a total FY 07 budget increase of \$3,813.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
AA	Salaries	\$3,548,357	\$3,220,587	\$3,693,610	\$3,693,610	\$145,253	\$473,023
BB	Equipment	40,000	36,800	22,000	22,000	(18,000)	(14,800)
DD	General Expenses	168,000	154,560	154,560	154,560	(13,440)	0
DE	Contractual Services	1,790,000	1,790,000	1,680,000	1,680,000	(110,000)	(110,000)
	<b>Total OTPS</b>	<b>1,998,000</b>	<b>1,981,360</b>	<b>1,856,560</b>	<b>1,856,560</b>	<b>(141,440)</b>	<b>(124,800)</b>
	<b>Grand Total</b>	<b>\$5,546,357</b>	<b>\$5,201,947</b>	<b>\$5,550,170</b>	<b>\$5,550,170</b>	<b>\$3,813</b>	<b>\$348,223</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 three part time clerk typists. The agency’s CSEA employees will receive wage adjustment of 3.5%, as well as steps. The line for overtime is decreasing from the adopted FY 06 budget by 15,000 to \$285,000.

**Staffing Analysis**

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	43	42	43	43	0	1
Part-time and Seasonal	13	11	13	13	0	2

ARC will not have a revenue budget in FY 07.

**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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	61	62	62	63	62	-1.6%
Salaries	3,572,128	4,018,141	4,360,558	4,393,466	5,052,063	15.0%
Misc OTPS	108,766	258,693	220,911	283,909	363,912	28.2%
Contractual Services	92,375	98	0	7,562	7,562	0.0%
<b>Total</b>	<b>\$3,773,269</b>	<b>\$4,276,932</b>	<b>\$4,581,469</b>	<b>\$4,684,937</b>	<b>\$5,423,537</b>	<b>15.8%</b>

Historical expenses have increased steadily since 2003, primarily due to increases in salaries. Although headcount has remained steady, 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 from 2003 when physical and psychological exams were administered by an outside vendor. The department now utilizes an in-house physician and part-time employees for this service.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$4,529,502	\$4,393,466	\$5,184,184	\$5,052,063	\$522,561	\$658,597
BB	Equipment	21,438	19,723	19,723	19,723	(1,715)	0
DD	General Expenses	287,162	264,186	344,189	344,189	57,027	80,003
DE	Contractual Services	7,562	7,562	7,562	7,562	0	0
	<b>Total OTPS</b>	<b>316,162</b>	<b>291,471</b>	<b>371,474</b>	<b>371,474</b>	<b>55,312</b>	<b>80,003</b>
HH	Inter-Fund Charges	150,000	150,000	150,000	150,000	0	0
	<b>Grand Total</b>	<b>\$4,995,664</b>	<b>\$4,834,937</b>	<b>\$5,705,658</b>	<b>\$5,573,537</b>	<b>\$577,873</b>	<b>\$738,600</b>

Salary costs are increasing from the FY 06 budget by \$522,561 or 11.5%. This is largely due to the addition of \$296,000 for people to help monitor and administer the police exam expected to take place in the summer of 2007. The 2007 budget also includes funding for step increases and a contractual CSEA 3.5% increase as of January 1, 2007. The department believes there may be an issue depending on the number of law enforcement medicals performed. This includes medicals for Police Officers, Correction Officers, and Probation Officers, all of whom are expected to be hired in 2007. The department uses part-time physicians and clinical psychologists for these services and requested \$201,709 in 2007, but only received \$90,000. The current year's budget was \$119,589, but the department has already exceeded their budget for these lines by \$47,000. The department has been able to manage within the budget for 2006 due to attrition savings, which may be realized in 2007 as well.

The OTPS budget, excluding inter-departmental charges, is increasing by \$80,003 or 30.3% from the FY 06 projection. This is due to the increase in general expenses for exam expenses including a portion of the exam fees that is given to the State. The equipment budget is remaining flat to the 2006 projection and is decreasing slightly from the 2006 budget.

The \$150,000 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.

<b>Civil Service Staffing Analysis</b>						
	<b>FY 06 Adopted</b>	<b>Sept-06 Actual</b>	<b>FY 07 Request</b>	<b>FY 07 Executive</b>	<b>Exec. vs 06 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	62	63	62	62	0	(1)
Part-time and Seasonal	31	34	39	39	8	5

The FY 06 budgeted full-time headcount is remaining the same as the 2006 budget but decreasing from the September 2006 actual headcount by one. Part-time positions are increasing by eight positions from the 2006 budget and by five positions from the September actual.

<b>Historical Revenue</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Rents & Recoveries	\$100,324	\$135,681	\$1,066	\$4,000	\$7,562	89.1%
Department Revenues	189,388	332,409	375,814	265,000	1,097,430	314.1%
<b>Total</b>	<b>\$289,712</b>	<b>\$468,090</b>	<b>\$376,880</b>	<b>\$269,000</b>	<b>\$1,104,992</b>	<b>310.8%</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 are going up significantly due to a police exam planned for 2007. Rents and recoveries account for anticipated reversals of prior year appropriations.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BF Rents & Recoveries	\$30,800	\$4,000	\$7,562	\$7,562	(\$23,238)	\$3,562
BH Department Revenues	235,000	265,000	1,020,800	1,097,430	862,430	832,430
<b>Grand Total</b>	<b>\$265,800</b>	<b>\$269,000</b>	<b>\$1,028,362</b>	<b>\$1,104,992</b>	<b>\$839,192</b>	<b>\$835,992</b>

The total revenue budget is increasing by \$835,992 over the FY 06 projection. This is due to the increase in departmental revenues by \$832,430. This account is made up almost entirely of fees collected for the administration of various civil service exams. The increase reflects the revenue anticipated from the police exam to be given in 2007. The department estimates about 8,000 applicants will take the test for a fee of \$100 per test. Although the last police exam was given in 2003, the application and exam fees were received and reflected in 2002. With about 12,000 applicants taking the test, departmental revenue for 2002 totaled \$1.6 million. The 2007 revenue budget appears reasonable.

OFFICE OF CONSTITUENT AFFAIRS

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

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	56	55	58	57	57	0.0%
Salaries	\$2,227,811	\$2,635,594	\$2,784,646	\$2,993,317	\$3,158,919	5.5%
Equipment	626,923	526,775	145,777	4,000	3,680	-8.0%
General Expenses	2,357,840	2,420,383	1,955,083	2,069,177	1,681,177	-18.8%
Contractual Services	154,602	(154,602)	0	0	0	0.0%
<b>Total</b>	<b>\$5,367,177</b>	<b>\$5,428,151</b>	<b>\$4,885,506</b>	<b>\$5,066,494</b>	<b>\$4,843,776</b>	<b>-4.4%</b>

In FY 04 the Office had an increase of 1.1% followed by a 10% decrease in FY 05. The increase in FY 04 is attributed to rising salaries and general expenses. The decrease in FY 05 resulted from declining equipment and general expenses, partially offset by an increase in salaries. In FY 06 OLBR is projecting costs to increase by 3.7% primarily due to higher salaries and general expenses. The County Executive is proposing a 4.4% decline in expenditures in 2007 as a result of a decrease in budgeted general expenses.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$2,743,903	\$2,993,317	\$3,277,093	\$3,158,919	\$415,016	\$165,602
BB	Equipment	4,000	4,000	3,680	3,680	(320)	(320)
DD	General Expenses	1,819,177	2,069,177	2,141,177	1,681,177	(138,000)	(388,000)
	<b>Total OTPS</b>	<b>1,823,177</b>	<b>2,073,177</b>	<b>2,144,857</b>	<b>1,684,857</b>	<b>(138,320)</b>	<b>(388,320)</b>
HF	Inter-Depart Charges	939,592	939,592	0	1,041,209	101,617	101,617
	<b>Grand Total</b>	<b>\$5,506,672</b>	<b>\$6,006,086</b>	<b>\$5,421,950</b>	<b>\$5,884,985</b>	<b>\$378,313</b>	<b>(\$121,101)</b>

The proposed FY 07 salaries budget is increasing by \$165,602 when compared to the OLBR FY 06 projection. The increase is primarily due to a salary adjustment of 3.5% as of January 1, 2007 provided in the CSEA contract, step increases and salary increases provided to ordinance employees in 2006. Our office's expects the salaries to exceed the FY 06 budget by \$249,414 mainly due to unbudgeted salary increases. The budget reflects salaries for 57 full-time positions, similar to the September actuals. The positions consist of 19 employees for the Constituent Affairs division and 38 employees for the Printing and Graphics division.

The FY 07 OTPS proposed budget, excluding inter-departmental charges will decrease by \$388,320 when compared to our office's current year's projection. The change is due to the decrease in general expenses which includes a reduction in postage costs of \$382,000. The department requested \$1.2 million for postage expenses however the County Executive approved \$762,000. The Administration indicated that \$220,000 and \$150,000 for postage costs has been allocated to the County Clerk and Assessment Department, respectively. The largest components of general expenses are postage and copying and blueprint supplies for \$762,000 and \$600,000, respectively. The department's proposed equipment budget is \$3,680, slightly lower than the 2006 budget. The department's plans in FY 07 to utilize funds from the capital budget to acquire the majority of its equipment.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes these charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office of Constituent Affairs. Of the amount budgeted, \$615,766 is for building occupancy charges and \$425,443 is for indirect charges. The total inter-departmental charges are increasing by \$101,617 due solely to rising building occupancy charges.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. vs. FY 06</b>	<b>Variance Exec. vs. Request</b>
10	Constituent Affairs	\$788,991	\$1,273,182	\$1,234,008	\$445,017	(\$39,174)
30	Printing and Graphics	4,717,681	4,148,768	4,650,977	(66,704)	502,209
<b>Total</b>		<b>\$5,506,672</b>	<b>\$5,421,950</b>	<b>\$5,884,985</b>	<b>\$378,313</b>	<b>\$463,035</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 FY 07 proposed budget is increasing by \$445,017 or 56% over the 2006 budget. All of the OTPS funding, as well as the salaries for the print shop employees, are included in the Printing and Graphics control center. The FY 07 proposed budget for this control center is decreasing by \$66,704.

Office of Constituent Affairs Staffing Analysis						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Constituent Affairs	15	19	19	19	4	0
30 Printing and Graphics	42	38	40	38	(4)	0
<b>Total Full-time</b>	<b><u>57</u></b>	<b><u>57</u></b>	<b><u>59</u></b>	<b><u>57</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>CC Part-time and Seasonal</b>						
10 Constituent Affairs	0	7	9	8	8	1

The proposed budget for total full-time positions will remain the same as the September 06 actual full-time headcount. However, when comparing the proposed budget to the FY 06 budget there is a change in the control center composition. The department will have four additional full-time positions in the Constituent Affairs control center but will have four less full-time positions in the Printing and Graphics control center. The Constituent Affairs control center currently possesses seven part-time and seasonal positions and incorporated one additional part-time or seasonal position.

Historical Revenue						
	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$0	\$12,152	\$19,181	\$0	\$0	0.0%
<b>Total</b>	<b>\$0</b>	<b>\$12,152</b>	<b>\$19,181</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>

The department realized rent and recoveries revenues in FY 04 and FY 05 of \$12,152 and \$19,181, respectively. However, our office projects no rent and recoveries revenue in 2006 and there is no proposed budget for the FY 07.

REVENUE BUDGET						
<u>Revenue Class</u>	<u>Adopted FY 06 Budget</u>	<u>OLBR FY 06 Projection</u>	<u>FY 07 Dept. Request</u>	<u>FY 07 Exec. Budget</u>	<u>Variance Exec. vs Adopted 06</u>	<u>Variance Exec. Vs FY 06 Proj.</u>
BJ Interdepartmental Revenues	\$1,184,497	\$1,184,497	\$0	\$1,288,174	\$103,677	\$103,677

Departments are charged for their portion of the copying, printing, and inter-office mailing services provided by the Printing and Graphics division. This is reflected as inter-departmental revenue for Constituent Affairs. The inter-departmental revenue budget will increase by \$103,677.

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.

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

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

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

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

The permits and licensing fees collected by Consumer Affairs include 1) anticipated home improvement licensing, 2) weights and measures fees, as mandated by the State, 3) taxi and limousine registration fees, as of December 2003, and 4) ATM registration fees, which were authorized as of March 2005. The FY 07 proposed budget for this revenue category is 8.7% greater than adopted in the 2006 budget and more than \$2.5 million greater than FY 06 projection. The revenue from Consumer Affairs again has an estimated risk of \$2.5 million. The premise is that with additional personnel the agency will be able to increase its revenue. These positions were unfilled in the current fiscal year and until the staffing is actually increased and trained, increased revenue based on the existing approved laws is not reasonable.

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

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

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

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

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	30	34	39	37	48	29.7%
Salaries	\$1,690,655	\$1,887,164	\$2,165,929	\$2,304,743	\$2,466,823	7.0%
Misc OTPS	9,561	60,212	15,299	41,492	41,492	0.0%
<b>Total</b>	<b>\$1,700,216</b>	<b>\$1,947,376</b>	<b>\$2,181,228</b>	<b>\$2,346,235</b>	<b>\$2,508,315</b>	<b>6.9%</b>

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

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
AA	Salaries	\$2,635,857	\$2,304,743	\$2,707,817	\$2,466,823	(\$169,034)	\$162,080
BB	Equipment	19,000	17,480	19,500	17,480	(1,520)	0
DD	General Expenses	26,100	24,012	26,100	24,012	(2,088)	0
	<b>Total OTPS</b>	<b>45,100</b>	<b>41,492</b>	<b>45,600</b>	<b>41,492</b>	<b>(3,608)</b>	<b>0</b>
	<b>Grand Total</b>	<b>\$2,680,957</b>	<b>\$2,346,235</b>	<b>\$2,753,417</b>	<b>\$2,508,315</b>	<b>(\$172,642)</b>	<b>\$162,080</b>

There are currently 11 vacant positions in the department. Budgeted full-time and part-time/seasonal staffing in the Office of Consumer Affairs is decreasing from FY 06 as per the proposed FY 07 budget by one full time hire. The office has hired one investigator with another investigator being hired imminently. Four other positions are in the process of being filled. The remaining five vacancies, (three investigators and two clerical) will be filled once the department gets the approval from the State to license Plumbers and Electricians. Although the department has advised that vacant positions will be staggered throughout the year the FY 07 budget will not be sufficient to fully fund these positions.

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

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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.

The agency is currently working on an emergency preparedness program involving 65 faith based organizations. The goal of the program is to institute an alert mechanism to the entire Spanish speaking community in the event of a natural disaster.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	6	6	5	6	8	33.3%
Salaries	\$306,783	\$335,819	\$298,579	\$361,270	\$437,780	21.2%
Misc OTPS	2,626	9,314	5,979	15,180	14,600	-3.8%
Contractual Services	0	0	34,000	15,000	15,000	0.0%
<b>Total</b>	<b>\$309,409</b>	<b>\$345,133</b>	<b>\$338,558</b>	<b>\$391,450</b>	<b>\$467,380</b>	<b>19.4%</b>

As seen in the chart above, the agency's full-time headcount has remained relatively level since FY 03. The FY 07 budget makes provisions for two additional full-time positions. Historically salaries have been the major portion of the department's expense. The increase in FY 07 is a result of the addition of two full-time positions. Miscellaneous OTPS has increased mainly due to an additional allowance for office supplies.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$425,104	\$361,270	\$557,780	\$437,780	\$12,676	\$76,510
BB	Equipment	5,000	4,600	8,000	4,600	(400)	0
DD	General Expenses	11,500	10,580	10,000	10,000	(1,500)	(580)
DE	Contractual Services	15,000	15,000	15,000	15,000	0	0
	<b>Total OTPS</b>	31,500	30,180	33,000	29,600	(1,900)	(580)
	<b>Grand Total</b>	<b>\$456,604</b>	<b>\$391,450</b>	<b>\$590,780</b>	<b>\$467,380</b>	<b>\$10,776</b>	<b>\$75,930</b>

The FY 06 projection for salaries is expected to be under budget by 15.0%. This surplus is due to two vacancies. In FY 06 the salaries account of the department will increase by \$12,676 or 3.0%. The increase represents an addition of a Community Service Specialist and staff raises. OTPS shows a decrease of 6.0% mainly in expenses related to supplies and copy paper.

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

	FY 06 <u>Adopted</u>	Sept-06 <u>Actual</u>	FY 07 <u>Request</u>	FY 07 <u>Executive</u>	Exec. vs <u>06 Adopt</u>	Exec. vs <u>Actual</u>
Full-time Staffing	8	6	9	8	0	2
Part-time and Seasonal	1	1	2	1	0	0

The agency requested a full-time research coordinator position for FY 07 in response to a need for ethnic related demographic data at the County level. Hiring a Research Coordinator will give the office the ability to fulfill the requests of legislators, constituents and those in academia. The FY 07 budget allocated resources for one of the two part-time Program Coordinator requests. The Office would also like to introduce the C.A.S.A. on wheels program. This initiative would give the agency a physical presence in various ethnic communities. The program is focused on providing assistance to people off-site and after normal business hours.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$0	\$178	\$0	\$0	0%
Department Revenues	11,210	24,935	25,060	15,618	25,000	60%
<b>Total</b>	<b>\$11,210</b>	<b>\$24,935</b>	<b>\$25,238</b>	<b>\$15,618</b>	<b>\$25,000</b>	<b>60%</b>

The chart above shows revenues realized by the agency since FY 03. The FY 07 budget for departmental revenues is in line with historical trends.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BH Departmental Revenue	\$25,000	\$15,618	\$25,000	\$25,000	\$0	\$9,382

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. The Agency’s revenue is projected to fall short of the FY 06 budget by 38% or \$9,382. 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 department has expressed interest in raising certain fees to reflect market value. Currently the Office charges \$100 for an affidavit. An affidavit prepared by a lawyer costs approximately \$1,400, and Catholic charities charges on average \$350. Through September of 2006 the department has collected \$9,160. For the same time period one year ago the department collected \$18,780.

<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

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**NASSAU COUNTY CORRECTIONAL CENTER**


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

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

The department has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiative which has been incorporated into the FY 07 budget and baseline:

**Overtime Management - \$1,000,000**

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

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

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

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

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

**EXPENSE BUDGET  
BY OBJECT CLASS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue class fines and forfeitures, which has a proposed budget of \$55,000 represents fines issued by the Sheriff pursuant to Article 420 of the NY State Criminal Procedure law for certain traffic violations. The Correctional Center is designated by the Court to be the receiver of any fines or surcharges imposed on certain traffic violators.

COUNTY ATTORNEY

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

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

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

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

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

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

Tax Certiorari and Condemnation represents the County in real property tax litigation and in all condemnation proceedings. The Torts Bureau represents the County in all personal injury and property damage litigation, and in medical malpractice cases. 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 oversees the processing of claims in all the County's workers' compensation cases. It reviews each case and determines which matters will be controverted before the Board. The bureau works closely with Triad, a Third Party Administrator (TPA), to provide strategies for claims administration and assist employees return to work.

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

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	136	152	157	148	148	0.0%
Salaries	\$8,070,892	\$9,621,407	\$10,484,469	\$10,713,427	\$10,701,766	-0.1%
Fringes	17,568,916	19,182,404	18,938,576	19,359,013	20,019,050	3.4%
Misc OTPS	2,615,160	2,304,919	(431,748)	2,207,074	805,234	-63.5%
Contractual Services	3,743,089	5,642,743	3,559,496	3,350,000	3,418,000	2.0%
<b>Total</b>	<b>\$31,998,057</b>	<b>\$36,751,473</b>	<b>\$32,550,794</b>	<b>\$35,629,514</b>	<b>\$34,944,050</b>	<b>-1.9%</b>

The County Attorney’s Office realized a 14.9% increase in expenditures in FY 04 compared to the previous year. In FY 05 expenditures declined 11.4% as a result of lower OTPS charges, contractual services and fringes. Our office projects an increase of 9.5% in 2006 and the County Executive is proposing a 1.9% decrease in FY 07 both due to corresponding activity in OTPS expenses.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$10,895,225	\$10,713,427	\$11,325,351	\$10,701,766	(\$193,459)	(\$11,661)
AB	Fringe Benefits	17,556,055	19,359,013	20,896,850	20,019,050	2,462,995	660,037
	<b>Total PS</b>	<b>28,451,280</b>	<b>30,072,440</b>	<b>32,222,201</b>	<b>30,720,816</b>	<b>2,269,536</b>	<b>648,376</b>
BB	Equipment	54,059	49,734	149,734	44,734	(9,325)	(5,000)
DD	General Expenses	714,500	657,340	778,000	760,500	46,000	103,160
DE	Contractual Services	3,350,000	3,350,000	3,918,000	3,418,000	68,000	68,000
OO	Other Expenses	1,500,000	1,500,000	1,500,000	0	(1,500,000)	(1,500,000)
	<b>Total OTPS</b>	<b>5,618,559</b>	<b>5,557,074</b>	<b>6,345,734</b>	<b>4,223,234</b>	<b>(1,395,325)</b>	<b>(1,333,840)</b>
	<b>Grand Total</b>	<b>\$34,069,839</b>	<b>\$35,629,514</b>	<b>\$38,567,935</b>	<b>\$34,944,050</b>	<b>\$874,211</b>	<b>(\$685,464)</b>

In personal services, salaries are slightly decreasing by \$11,661 when compared to our office’s FY 06 salary projection. Our office projects salaries to come under the 2006 budget by \$181,798 primarily due to ten vacant full-time positions. Although salaries are decreasing due to a lower budgeted headcount, this is partially offset by a salary enhancement included in the FY 07 proposed budget. Fringe benefits in the County Attorney’s Office are solely for County-wide workers’ compensation costs. OLBR projects the worker’s compensation cost to be \$19.4 million in FY 06 due to higher than anticipated workers’ compensation costs. Workers’ compensation is increasing by \$2.5 million or 14% in FY 07 and will increase over OLBR’s FY 06 projection by \$660,037 or 3%. The increase in the 2007 proposed budget when compared to the FY 06 budget is primarily due to the recognition of prior year obligations.

Other than personnel services are decreasing by \$1,333,840 when compared to OLBR's FY 06 projection, which is mostly attributed to the elimination of the \$1.5 million other expenses budget. It includes funding for other suits and damages, which is used to pay for claims and settlement against the County. According to the Administration the funding for these expenses has been transferred to the Miscellaneous department.

General expenses for the FY 07 proposed budget are mostly comprised of labor relations charges and investigative expenses for \$270,000 and \$250,000, respectively. The introduction of labor relations charges are associated with the services rendered with the Office of Labor Relations. Our office is projecting general expenses to come under the 2006 adopted budget by \$57,160.

Contractual services budget is increasing by \$68,000 over the 2006 budget. The budget of \$3.4 million in FY 07 million mainly consists of services provided by ProLaw, Triad and specialized attorneys. 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 by April 30, 2007. As previously mentioned, Triad is a Third Party Administrator that processes workers' compensation claims. The department also utilizes outside attorneys in cases that require specialized services. Additionally, the Administration reduced the department's request by \$500,000 solely based on a reduction in the legal budget.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs. Request</b>
10	County Attorney	\$16,513,784	\$17,671,085	\$14,475,000	(\$2,038,784)	(\$3,196,085)
20	Workers' Comp.	17,556,055	20,896,850	20,469,050	2,912,995	(427,800)
<b>Total</b>		<b>\$34,069,839</b>	<b>\$38,567,935</b>	<b>\$34,944,050</b>	<b>\$874,211</b>	<b>(\$3,623,885)</b>

The County Attorney control center has a decrease of \$2.0 million from the adopted FY 06 budget, mostly attributable to a reduction in other suits & damages and salaries. There is also decrease of \$3.2 million between the Departmental Request and Executive FY 07 proposed budget. The Workers' Compensation control center increase of \$2.9 million is due to increasing prior year obligations.

<b>County Attorney Staffing Analysis</b>						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	158	148	171	148	(10)	0
Part-time and Seasonal	7	1	2	0	(7)	(1)

The proposed budgeted headcount for the County Attorney’s Office will remain the same as the September actuals, however, the Office requested 23 full-time positions and one part-time position which were denied by the County Executive. The denied positions included 11 Deputy County Attorneys, eight Special Investigators I and four Special Investigators II. According the Office the Special Investigators’ positions was included in its departmental request with the intent to support the risk management initiative, however, it was decided after discussions with the Administration that it would be prudent to fill them as needed in 2007 and exclude the positions from the proposed budget. It is questionable how these positions will be filled since the positions are not funded. The Office has been handed additional responsibilities associated with the County’s new Human’s Rights Law and indicated that it has allocated one FTE and one part-time position to fulfill the responsibilities associated with the law.

<b>Historical Revenue</b>						
	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Fines & Forfeits	\$0	\$0	\$15,450	\$0	\$10,000	0.0%
Rents & Recoveries	1,421,648	7,385,651	937,107	1,615,205	2,810,000	74.0%
Department Revenues	183,812	122,417	100,575	90,000	75,000	-16.7%
Federal Aid	184,800	(23,575)	153,787	228,375	228,375	0.0%
State Aid	47,600	(6,071)	39,583	61,200	61,200	0.0%
<b>Total</b>	<b>\$1,837,861</b>	<b>\$7,478,422</b>	<b>\$1,246,502</b>	<b>\$1,994,780</b>	<b>\$3,184,575</b>	<b>59.6%</b>

In FY 04 the department had an increase of 306.9% in revenues, excluding inter-departmental revenues, due to a significant growth in rent and recoveries revenue. In the subsequent year the department had a 83.3% reduction in revenue resulting from a decrease in rent and recoveries revenue. In FY 06, our office is projecting a 60.0% increase in revenues and the proposed budget is 59.6% higher than OLBR’s projection due to increases in rent and recoveries revenue.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
BD	Fines & Forfeits	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000
BF	Rents and Recoveries	2,820,000	1,615,205	2,810,000	2,810,000	(10,000)	1,194,795
BH	Department Revenues	110,000	90,000	75,000	75,000	(35,000)	(15,000)
BJ	Interdepartmental Revenues	9,332,389	9,332,389	0	9,929,282	596,893	596,893
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>Grand Total</b>		<b>\$12,551,964</b>	<b>\$11,327,169</b>	<b>\$3,184,575</b>	<b>\$13,113,857</b>	<b>\$561,893</b>	<b>\$1,786,688</b>

The proposed revenue budget for FY 07 is \$1.8 million higher than our office’s current year projection, primarily due to an increase in rent and recoveries and inter-departmental revenues. Interdepartmental revenue of \$9.9 million is the largest portion of the revenue budget and includes a \$2.1 million increase from FY 06. Interdepartmental revenue of \$2.1 million budgeted under the control center for County Attorney represents chargebacks from other departments for the assignment of a County Attorney. Departments paying for County Attorney services include Social Services, Assessment, Assessment Review, Corrections, Parks and Public Works. Interdepartmental revenue of \$7.8 million budgeted in the Workers’ Compensation control center represents charges to departmental workers’ compensation accounts. For Workers’ Compensation, revenue is budgeted based on the prior year’s expenses and usually a journal entry is recorded at the end of the year to transfer the appropriate amount.

In FY 06, OLBR is projecting rents and recoveries revenue to be \$1.6 million, coming under budget by \$1.2 million. Our office’s projection is based on the September actuals of \$865,205 and the department’s estimation that they will recognize another \$750,000 by the year end. The Administration is proposing a \$2.8 million budget in FY 07 with the major component being a \$2.0 million budget allocated for the recovery of workmen’s compensation claims. However, it is questionable if the department will realize the whole amount due to the uncertainty in the nature of the recoveries.

Our office is projecting department revenues to be under budget by \$20,000 primarily due to the September actuals being significantly lower than the 2006 target. The proposed budget is decreasing by \$15,000 and \$35,000 when compared to the 2006 OLBR projection and adopted budget, respectively. The reduction is attributed to a lower proposed budget for subobject categories, fees and contractual services. Both categories generate revenue based on fees charged for County Attorney services provided for contract processing. The Office expects less contractual service activity thus resulting in the lower proposed budget. Additionally, it is important to note a portion of the departmental revenues proposed budget is contingent on an increase in contract processing fee that requires Legislative approval. It is questionable whether the increase will obtain the required approval.

In FY 07 the County Executive is introducing 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 Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	90	90	99	101	102	1.0%
Salaries	\$3,655,999	\$3,950,128	\$4,475,648	\$4,862,599	\$5,425,383	11.6%
Misc OTPS	155,552	145,349	195,344	250,000	502,600	101.0%
Contractual Services	61,434	248,449	60,000	325,000	354,375	9.0%
<b>Total</b>	<b>\$3,872,985</b>	<b>\$4,343,926</b>	<b>\$4,730,991</b>	<b>\$5,437,599</b>	<b>\$6,282,358</b>	<b>15.5%</b>

The chart above shows actual expenditures for the County Clerk since FY 03, with a projected amount for FY 06. Salary expense has been rising over this period due in part to contractual labor agreements. While the authorized full-time staffing level has remained relatively constant at approximately 100, there has been a growing reliance on part-time employees and overtime to handle rising service demands. In FY 03 part-time clerks were paid \$102,878, and overtime costs were zero. Those totals increased in FY 05 to \$253,184 for part-time clerks and \$62,147 for overtime. The proposed budget includes \$562,103 for part-time clerks and \$174,896 for overtime. The cost of contractual services began to increase in FY 04 when equipment maintenance was moved from miscellaneous OTPS. The FY 07 budget for miscellaneous OTPS represents an increase of 101.0%, and results from the addition of postage costs.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$4,932,286	\$4,862,599	\$6,111,201	\$5,425,383	\$493,097	\$562,784
BB	Equipment	143,770	125,000	142,000	142,000	(1,770)	17,000
DD	General Expenses	140,000	125,000	140,600	360,600	220,600	235,600
DE	Contractual Services	354,375	325,000	354,375	354,375	0	29,375
	<b>Total OTPS</b>	<b>638,145</b>	<b>575,000</b>	<b>636,975</b>	<b>856,975</b>	<b>218,830</b>	<b>281,975</b>
	<b>Grand Total</b>	<b>\$5,570,431</b>	<b>\$5,437,599</b>	<b>\$6,748,176</b>	<b>\$6,282,358</b>	<b>\$711,927</b>	<b>\$844,759</b>

The proposed FY 07 budget is increasing by \$711,927, or 12.8%, to \$6.3 million. OTPS makes up \$218,830 of that amount, all of which is to be used for general expenses, specifically for a postage delivery line. The volume of mailing has been unusually large during the current year due to the Office’s success in addressing a processing backlog associated with residential filings. As each item is completed, the accumulated paperwork can be sent to the applicant. This cost, which has been picked up by the central mailroom in Constituent Affairs, will be given its own line in the Clerk’s budget. It is expected that the backlog will be eliminated by the end of this year. The contractual services line is remaining flat. The Office has contracts for document recording and imaging software and equipment repairs.

Salaries make up \$493,097 of the proposed budget’s increased expenses. This amount will cover the January 1, 2007 3.5% COLA for the Office’s CSEA staff, plus the addition of 10 part-time and 20 seasonal employees. Although overtime was not budgeted for in the current year, through September \$175,000 has been spent. The proposed FY 07 budget includes \$125,000 for overtime.

<b>Nassau County Clerk Staffing Analysis</b>						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	102	101	121	102	0	1
Part-time	50	30	60	60	10	30
Seasonal	20	17	40	40	20	23

As shown in the chart above, the proposed full-time headcount for the Clerk’s Office is remaining unchanged at 102. The Clerk did, however, request an additional 19 positions which were not included in the Executive budget (requested salary funding of \$686,000 was also eliminated). The following titles were requested: one Clerk I, five Clerk II, five Clerk Laborers, one Accountant II, one Cashier I and six Messengers. As justification for these positions, the County Clerk has cited the growing volume of the Office’s workload, much which is a statutory obligation. The verification and scanning of judgments has increased by approximately 41% over 2005. Filings associated with Integrated Domestic Violence Orders have grown 246% since 2005. Court transfers are expected to grow by 248% in 2006 to 1,400. Grievances for judgments and settlements have reached an all-time high of 76,000 per year. This is the highest number of assessment reviews by any county in the State.

The chart below shows the Office’s authorized headcount since FY 00. The increasing reliance on part-time and seasonal employees is clearly evident, while the full-time number has remained flat. According to the Office, part-time and seasonal personnel only 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>								
	<b>FY 00</b>	<b>FY 01</b>	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>
Full-time Staffing	101	100	101	101	102	102	102	102
Part-time	15	15	15	13	34	50	50	60
Seasonal	20	20	15	17	20	20	20	40

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. This is a critical issue with court documents. On October 2, 2006, County Clerk Maureen O’Connell sent a letter to the County Executive, in which she strongly disagreed with the proposed budget’s elimination of her requested additional full-time staff, and reiterated the negative impact that this will have on her Office’s ability to provide acceptable customer service.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$267,319	\$181,651	\$212,195	\$200,000	\$200,000	0.0%
Departmental Revenue	15,422,327	18,530,227	15,947,305	14,783,506	14,021,000	-5.2%
<b>Total</b>	<b>\$15,689,646</b>	<b>\$18,711,878</b>	<b>\$16,159,500</b>	<b>\$14,983,506</b>	<b>\$14,221,000</b>	<b>-5.1%</b>

The chart above shows revenues realized by the Clerk’s Office since FY 03, with a projected amount for FY 06. The 20% increase in departmental revenue in FY 04 was primarily due to increased housing activity and refinancing sparked by low interest rates. Departmental revenue has been steadily decreasing since the high in FY 04. A decline of 7% is expected in FY 06 and 5% in FY 07.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted</b>	<b>OLBR</b>	<b>FY 07</b>	<b>FY 07</b>	<b>Variance</b>	<b>Variance</b>
	<b>FY 06</b>	<b>FY 06</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 06</b>	<b>FY 06 Proj.</b>
BD Fines & Forfeits	\$200,000	\$200,000	\$200,000	\$200,000	\$0	\$0
BH Departmental Revenue	16,500,000	14,783,506	14,021,000	14,021,000	(2,479,000)	(762,506)
<b>Grand Total</b>	<b>\$16,700,000</b>	<b>\$14,983,506</b>	<b>\$14,221,000</b>	<b>\$14,221,000</b>	<b>(\$2,479,000)</b>	<b>(\$762,506)</b>

A shortfall of 10.4% is projected in departmental revenues for the current year. This line was highlighted as a risk in OLBR’s Review of the FY 06 Executive Budget. The Clerk’s Office estimates that 80% of the departmental revenues may be attributed to real estate refinancing and transactions. According to the Mortgage Bankers Association, new home sales are projected to decline about 16%

and existing home sales are projected to decline between 8% and 9%.<sup>1</sup> The housing market has experienced a slowdown as interest rates have increased. Interest rates are now 6.18%, the Mortgage Bankers Association expects interest rates to be 6.7% by the end of 2007. The proposed FY 07 departmental revenue budget is 5.2% less than OLBR's FY 06 projection.

<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>2006</b>	6.2%	6.6%	6.5%	6.4%
<b>2007</b>	6.5%	6.5%	6.6%	6.7%
<b>Source:</b> September 12, 2006 MBA Forecast				

The following chart lists various fees collected by 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 fees are controlled by state mandate. The state and federal governments receives a portion of the fee collected.

<sup>1</sup> "Housing Activity Continues to Show More Evidence of a Slowdown", Mortgage Bankers Association, September 25, 2006

COUNTY COMPTROLLER

The Comptroller monitors and issues reports on all matters that significantly affect the County’s financial health and operations. It reports on actual financial results as seen through the preparation and issuance of the County’s annual financial statements.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	79	80	88	91	92	1.1%
Salaries	\$4,690,187	\$5,163,530	\$5,741,011	\$5,961,615	\$6,767,379	13.5%
Misc OTPS	89,365	98,269	82,075	211,734	267,731	26.4%
Contractual Services	590,198	498,800	514,800	633,000	650,000	2.7%
<b>Total</b>	<b>\$5,369,750</b>	<b>\$5,760,599</b>	<b>\$6,337,886</b>	<b>\$6,806,349</b>	<b>\$7,685,110</b>	<b>12.9%</b>

The chart above shows actual expenditures for the County Comptroller’s Office since FY 03, with a projected amount for FY 06.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$6,445,957	\$5,961,615	\$7,222,000	\$6,767,379	\$321,422	\$805,764
BB	Equipment	133,500	133,500	154,850	154,850	21,350	21,350
DD	General Expenses	78,234	78,234	94,881	112,881	34,647	34,647
DE	Contractual Services	633,000	633,000	650,000	650,000	17,000	17,000
	<b>Total OTPS</b>	<b>844,734</b>	<b>844,734</b>	<b>899,731</b>	<b>917,731</b>	<b>72,997</b>	<b>72,997</b>
	<b>Grand Total</b>	<b>\$7,290,691</b>	<b>\$6,806,349</b>	<b>\$8,121,731</b>	<b>\$7,685,110</b>	<b>\$394,419</b>	<b>\$878,761</b>

The FY 07 total expense budget of the Comptroller’s Office is set to increase 12.9% from the FY 06 budget. The contractual services line is increasing slightly from the FY 06 adopted. The Office will continue to hire consultants to perform financial audit services. Also, the security procedures of the Office will be reviewed to insure the physical safety of its employees, as well as safeguarding its documents. The increase in the OTPS is due to increase in postage, paper, and storage at Iron Mountain.

<b>County Comptroller Staffing Analysis</b>						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	93	91	100	92	(1)	1
Part-time and Seasonal	11	3	11	11	0	8

The FY 07 budgeted full-time headcount for the Comptroller’s office is decreasing by one from the FY 06 budget. The Office’s FY 07 part-time and seasonal headcount is being held constant. The Office had requested seven additional positions, including five new staff members to enforce the Living Wage Law passed by the Legislature in 2005, with an effective date of January 1, 2007. In OLBR’s fiscal impact statement on this legislation we wrote:

The compliance figures [of \$250,460] are based upon the estimated expenses provided by the County Comptroller’s office, which expects to hire five new employees and spend \$108,000 on upfront, one-time equipment and contract costs. They are inline with the compliance costs faced by Suffolk County. Suffolk County currently budgets \$313,000 in annual expenses for its living wage law unit. Suffolk’s living wage law unit is comprised of five employees: one director, two monitors, one secretary and one assistant.

<b>Historical Revenue</b>						
	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$118,033	\$2,972,469	\$1,150,011	\$400,000	\$339,193	-15.2%
Department Revenues	21,182	16,792	14,381	14,850	15,850	6.7%
<b>Total</b>	<b>\$139,214</b>	<b>\$2,989,261</b>	<b>\$1,164,392</b>	<b>\$414,850</b>	<b>\$355,043</b>	<b>-14.4%</b>

The chart above shows revenues realized by the Comptroller’s Office since FY 03, with a projected amount for FY 06. In FY 06 rents and recovery line incorporated \$250,000 from a consultant who is seeking reimbursement for Nassau Medical Center Medicare funded Graduate Medical Education and Ambulatory Surgery Services expenses that occurred in 1999. The amount budgeted in FY 07 is expected to come from FICA tax refunds secured from the Federal Government. The 2007 Budget for BF (Rents and Recoveries) is \$339,193 for Miscellaneous Audit Recovery Fees consistent with prior years Audit Recoveries.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BF	Rents & Recoveries	\$400,000	\$400,000	\$339,193	\$339,193	(\$60,807)	(\$60,807)
BH	Department Revenue	14,850	14,850	15,850	15,850	1,000	1,000
<b>Total</b>		<b>\$414,850</b>	<b>\$414,850</b>	<b>\$355,043</b>	<b>\$355,043</b>	<b>(\$59,807)</b>	<b>(\$59,807)</b>

The total FY 07 Comptroller’s Office revenue budget is projected to decrease by \$59,807, or 14.4% from the FY 06. Contracts are entered into with vendors to recover monies due the County. These could be for claims with the State or FICA tax refund claims, among others. The Office generates revenue related to the collection of the County’s NYS Sales Tax Collection Credit. The Office also collects various fees. The majority is related to the recovery of costs associated with insufficient funds, checks submitted for insurance payments by County retirees, and the garnishment of County employees’ salaries for court ordered actions.

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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Proposed</b>	<b>Proj./Exec.</b>
Full-time Headcount	14	37	42	47	44	-6.4%
Salaries	\$1,418,243	\$2,940,254	\$3,606,114	\$4,393,466	\$3,982,874	-9.3%
Misc OTPS	30,829	69,374	56,411	84,689	5,000	-94.1%
Contractual Services	22,500	576,110	34,866	102,361	102,361	0.0%
<b>Total</b>	<b>\$1,471,572</b>	<b>\$3,585,738</b>	<b>\$3,697,391</b>	<b>\$4,580,516</b>	<b>\$4,090,235</b>	<b>-10.7%</b>

The chart above shows actual expenditures for the County Executive since FY 03, with a projected amount for FY 06. During this period full-time staffing and salaries have been steadily rising, as a result of the transfer of employees from other areas, mostly from the Office of Management and Budget. In the proposed FY 07 budget three full-time employees of the Office of Grants Management will be transferred to OMB. In FY 04, two contracts were issued for work to assist the Compliance Office to identify and implement new procedures and internal controls county-wide.

<b>County Executive Staffing Analysis</b>						
	<b>FY 06</b>	<b>Sept-06</b>	<b>FY 07</b>	<b>FY 07</b>	<b>Exec.</b>	<b>Exec.</b>
	<b>Adopted</b>	<b>Actual</b>	<b>Request</b>	<b>Executive</b>	<b>vs 06 Adopt</b>	<b>vs Actual</b>
Full-time Staffing	43	47	44	44	1	(3)
Part-time and Seasonal	6	4	0	0	(6)	(4)

The above chart details the FY 06 adopted headcount, September 2006 actual headcount, and proposed FY 07 budgeted headcount for the Office. In spite of the previously mentioned transfer of three full-time Grants Management employees to OMB, full-time budgeted headcount is increasing by one. The September actual headcount is four positions over budget. Part-time staffing, with four employees counted on September 1, has not been included in the proposed FY 07 budget.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$3,802,942	\$4,393,466	\$3,982,874	\$3,982,874	\$179,932	(\$410,592)
BB	Equipment	30,246	30,246	2,000	2,000	(28,246)	(28,246)
DD	General Expenses	54,443	54,443	3,000	3,000	(51,443)	(51,443)
DE	Contractual Services	102,361	102,361	102,361	102,361	0	0
	<b>Total OTPS</b>	<b>187,050</b>	<b>187,050</b>	<b>107,361</b>	<b>107,361</b>	<b>(79,689)</b>	<b>(79,689)</b>
	<b>Grand Total</b>	<b>\$3,989,992</b>	<b>\$4,580,516</b>	<b>\$4,090,235</b>	<b>\$4,090,235</b>	<b>\$100,243</b>	<b>(\$490,281)</b>

The above chart details the County Executive budget by object class. The FY 07 County Executive budget is increasing by roughly 3%. The greatest percentage decrease is in the equipment and general expenses lines which are going from \$187,050 in FY 06 to \$107,361 in FY 07. The salary line is decreasing by 9.3%. Currently the department is operating with 47 full-time employees.

## COURTS

The County Court System budget funds fringe benefits for court workers who are actually State employees. When the State took over the operation of the Court the workers requested to remain in the County's health plan. The State agreed with this request and reimburses the County for these costs.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$0	\$0	\$206,612	*****
State Aid	2,221,631	2,155,555	2,015,995	2,000,000	1,793,406	-10.3%
<b>Total</b>	<b>\$2,221,631</b>	<b>\$2,155,555</b>	<b>\$2,015,995</b>	<b>\$2,000,000</b>	<b>\$2,000,018</b>	<b>0.0%</b>

Historically revenue has steadily decreased from \$2.2 million FY 03 to \$2.0 million in the proposed FY 07 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</b>	<b>OLBR</b>	<b>FY 07</b>		<b>Variance</b>	<b>Variance</b>
		<b>FY 06</b>	<b>FY 06</b>	<b>Dept.</b>	<b>FY 07</b>	<b>Exec. vs</b>	<b>Exec. Vs</b>
		<b>Budget</b>	<b>Projection</b>	<b>Request</b>	<b>Executive</b>	<b>Adopted 06</b>	<b>FY 06 Proj.</b>
BG	Revenue to Offset Expense	\$305,920	\$0	\$206,612	\$206,612	(\$99,308)	\$206,612
SA	State Aid	2,017,510	2,000,000	1,793,406	1,793,406	(224,104)	(206,594)
<b>Grand Total</b>		<b>\$2,323,430</b>	<b>\$2,000,000</b>	<b>\$2,000,018</b>	<b>\$2,000,018</b>	<b>(\$323,412)</b>	<b>\$18</b>

The FY 07 revenue budget is decreasing by 13.9% 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.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	2,302,793	2,410,800	2,319,935	2,330,000	2,160,730	-7.3%
<b>Total</b>	<b>\$2,302,793</b>	<b>\$2,410,800</b>	<b>\$2,319,935</b>	<b>\$2,330,000</b>	<b>\$2,160,730</b>	<b>-7.3%</b>

Excluding FY 04, the expenditure budget has remained steady at \$2.3 million from FY 03 to the projected FY 06. The significant increases in health insurance rates over previous years will increase the 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 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AB	Fringe Benefits	\$2,436,342	\$2,330,000	\$2,160,730	\$2,160,730	(\$275,612)	(\$169,270)
	<b>Grand Total</b>	<b>\$2,436,342</b>	<b>\$2,330,000</b>	<b>\$2,160,730</b>	<b>\$2,160,730</b>	<b>(\$275,612)</b>	<b>(\$169,270)</b>

The FY 07 expense budget is decreasing 11.3% to \$2.2 million. The FY 06 projection for health insurance rates for retirees is \$2.3 million, or \$106,000 less than the FY 06 budget. The FY 07 budget is \$170,000 less than the FY 06 projection.

## DEBT SERVICE

The County's Debt Service Fund maintains the necessary resources 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. The 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 revenues from non-major operating funds. In FY 07, it is anticipated that total debt service costs will increase by \$8.3 million, due to increased NIFA set-asides of \$26.2, accounting for \$4.1 million in borrowing for Open Space funding, \$5.0 million on short term borrowings, \$1.1 on new money capital and a reduction of \$16.1 million on existing County bonds. This funding does not include the resources associated with the proposed legislation to authorize an additional \$100 million in serial bonds, to be voted on by referendum at the general election in November 2006.

Existing and future Nassau Interim Finance Authority (NIFA) sales tax set-asides are contained in the Debt Service Fund. Other than a possible refunding of its debt if market conditions permit, and the issuance of \$15 million in 2006 and \$10 million in 2007 for pre 2001 certiorari refund purposes, NIFA has no plans to issue additional debt in FY 07. The County anticipates using at least \$5 million of the borrowed funds in FY 2006 to pay for these older proceedings. The County receives residual revenues from sales tax collections only after NIFA debt service and operating requirements are met.

Illustrated in the Historical Expenditures table, debt service, which accounts for interest and principal on outstanding and future general obligation debt, has been on the decline since 2005. This decrease is due to 1) NIFA's refinancing of existing County debt obligations, 2) the declining interest rate environment, 3) reduced spending on capital projects and 4) lower borrowing costs due to positive evaluations of the County's creditworthiness. 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 by more than 50% over the past few years, from \$300.0 million in 2003 to \$124.9 as proposed in the FY 07 budget, the upshot is an increase in NIFA sales tax set asides.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Interest	\$96,547,515	\$60,268,646	\$36,001,941	\$29,316,014	\$25,816,905	-11.9%
Principal	203,678,844	171,435,000	140,280,000	115,124,221	99,103,014	-13.9%
NIFA Set-asides	0	93,937,385	128,632,236	146,020,869	174,457,889	19.5%
<b>Total</b>	<b>\$300,226,359</b>	<b>\$325,641,031</b>	<b>\$304,914,177</b>	<b>\$290,461,104</b>	<b>\$299,377,808</b>	<b>3.1%</b>

According to the Nassau County Interim Finance Authority's Independent Auditor's Report for year ended December 31, 2005, during 2005, NIFA issued \$390.3 million of long term bonds, including \$124.2 million of fixed rate bonds, Series 2005A, and \$122,300,000 of variable rate bonds Series 2005 B-C and \$143,795,000 of fixed rate bonds, Series 2005D. A portion of the 2005 proceeds were used to

refund County debt, resulting in net present value savings to Nassau County of approximately \$5.6 million.<sup>1</sup>

Proposed debt service for the 2007 fiscal year of approximately of \$299.9 million is made up of principal and interest on existing debt including long term General Obligation debt (bonds that do not provide a self-supporting revenue stream) of \$114.7 million, short-term debt of \$6.1 million and \$4.1 million in the anticipation of future County debt service for Open Spaces. NIFA set-asides of \$174.5 million and expense of loans of \$500,000 account for the remaining expenditures. The County also remains flexible throughout the year to borrow for cash flow purposes as necessary.

<b>EXPENSE BUDGET BY OBJECT CLASS DEBT SERVICE FUND</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
FF	Interest	\$27,788,164	\$29,316,014	\$25,816,905	\$25,816,905	(\$1,971,259)	(\$3,499,109)
GG	Principal	115,124,221	115,124,221	99,103,014	99,103,014	(16,021,207)	(16,021,207)
OO	NIFA Set-asides	148,176,154	146,020,869	174,457,889	174,457,889	26,281,735	28,437,020
OO	Expense of Loans	500,000	500,000	500,000	500,000	0	0
<b>Total</b>		<b>\$291,588,539</b>	<b>\$290,961,104</b>	<b>\$299,877,808</b>	<b>\$299,877,808</b>	<b>\$8,289,269</b>	<b>\$8,916,704</b>

Total debt payments, including NIFA set-asides and loan expenses, are expected to increase by 2.8%, or \$8.3 million, from \$291.6 million budgeted in 2006 to \$299.9 million in 2007.<sup>2</sup> This increase is the result of a rise in NIFA sales tax set-asides, as well as the increase in the issuance of short term borrowings. The County’s policy to use NIFA to refinance outstanding County debt has caused reduced interest costs in the short run, but extended the structure of repayment over a longer period of time. Besides the \$4.1 million in debt service costs for Open Space funding, \$1.1 million of debt service costs will be spent on unanticipated capital project funding needs of approximately \$10.0 million of new borrowing, \$20.0 million in judgments and \$5.0 million on \$175.8 million in short term borrowings (See Planned New Debt Issuance chart below). The remaining \$500,000, on the line for expense of loans represents financial consultant services. In comparison to year end actuals for 2005 of \$305.1 million, the \$299.8 million of total expenses proposed in FY 07 has decreased by over 1.7%, or \$5.3 million.

The amount of resources set aside in 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 5.84% for new

<sup>1</sup> Deloitte & Touche LLP. *Nassau County Interim Finance Authority, Independent Auditors Report, Financial Statements, Year Ended December 31, 2005*, (March 31, 2006)

<sup>2</sup> Please note, due to an increased pace at which the County will borrow for Open Space in 2007, debt service costs have increased by \$1.5 million, offset by the same amount of decrease in interest on NIFA borrowings.

2007 long term issues and 5.44% on cash flow TAN borrowings. The lower the TIC the lower the cost of borrowing will be for the County.<sup>3</sup>

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 6 months after substantial completion of the financed project, and not more than 5 years from the date of issuance. Issuance of \$159.1 million in new long term borrowing and \$175.8 million in new short term borrowings is planned for 2007 as follows:

<b>Planned new debt issuance FY 07</b>	
Purpose	Amount
<u>2007 Bond Borrowings</u>	
Capital Plan	\$129,125,256
Judgements & Settlements	20,000,000
Other	<u>10,000,000</u>
<b>Total</b>	<b><u>\$159,125,256</u></b>
<u>2007 Cash Flow Borrowings</u>	
Short Term Tan	<b><u>\$175,805,000</u></b>

The Debt Service Fund collects chargeback revenues from the major operating funds for debt service expenses on a project by project basis. The historical revenue data, as shown in the chart 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>						
	FY 03	FY 04	FY 05	FY 06	FY 07	% Change
	Actual	Actual	Actual	Projected	Exec.	Proj./Exec.
Debt Service from Cap	\$0	\$0	\$32,588,892	\$0	\$16,800,000	0.0%
Fund Balance	0	9,935,000	10,000,000	0	0	0.0%
Reserves	0	0	8,158,582	0	0	0.0%
Interfund Charges/Rev.	318,847,835	8,585,800	8,250,085	17,276,241	25,220,894	46.0%
Interfund Transfers	0	10,000,000	3,004,991	0	0	0.0%
Debt Service Chargeback	0	0	0	273,684,863	257,856,914	-5.8%
Interdepartmental Rev.	0	307,120,231	296,787,269	0	0	0.0%
<b>Total</b>	<b>\$318,847,835</b>	<b>\$335,641,031</b>	<b>\$358,789,819</b>	<b>\$290,961,104</b>	<b>\$299,877,808</b>	<b>3.1%</b>

<sup>3</sup> 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.

The Debt Service Fund’s revenue budget for FY 07 as shown in the table below is made up primarily of \$257.8 million in chargeback revenues, expensed to each of the major operating funds for its portion of debt service costs. Compared to FY 06 projections, total revenue has decreased by approximately \$8.5 million due to a combination of declining debt service chargeback revenues and an offsetting increase in interfund charges of nearly \$8.0 million.

<b>REVENUE BUDGET DEBT SERVICE FUND</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs Request</b>
BV Chargeback Revenues	\$275,101,348	\$273,684,863	\$257,856,914	\$257,856,914	(\$17,244,434)	\$0.0
BQ Debt Service from CAP	0	0	16,800,000	\$16,800,000	0	\$0.0
BW Interfd Chgs	16,487,191	17,276,241	25,220,894	25,220,894	8,733,703	\$0.0
<b>Total</b>	<b>\$291,588,539</b>	<b>\$290,961,104</b>	<b>\$299,877,808</b>	<b>\$299,877,808</b>	<b>(\$8,510,731)</b>	<b>\$0.0</b>

According to the table below, \$254.6 million represents chargeback revenues from the General Fund, \$196.5 million from the Police District Fund and \$3.0 million from the Police Headquarters Fund. Due to the consolidation of the County Parks and Find Commission Fund into the General Fund, Debt Service Fund will no longer capture chargebacks revenue from those funds as these will now be shown in the General Fund. These revenues correspond to the debt service chargeback line in each of the funds as follows:

	<b>Adopted FY 06</b>	<b>Executive FY 07</b>
General	\$252,717,247	\$254,589,814
Parks Department	17,736,093	0
Fire Commission	768,252	0
Police District	745,754	196,518
Police Headquarters	3,134,003	3,070,581
<b>Grand Total</b>	<b>\$275,101,349</b>	<b>\$257,856,913</b>

Revenues received by the departments for services on behalf of non-major operating funds represent interfund charges (revenues). The interfund charges (revenues) line for FY 07 of \$25.2 million includes \$6.3 million to offset debt service incurred by the Sewer & Stormwater Resource District, \$4.1 million expensed in the Planning Department on behalf of the Environmental Bond Fund, and \$14.8 million of other interfund revenues that will be transferred from the Bonded Indebtedness Reserve Fund. This fund, authorized by the County Legislature, contains resources that can be used to retire debt or pay debt service. The transfer of funds from the Capital Projects Fund’s 840 account makes up the remaining \$16.8 million. Revenues from State and Federal grants are deposited into the 840 account to retire debt or pay debt service for various general fund projects for which they are earmarked. The 840 account is part of the Capital Projects Fund into which revenues such as state and federal grants are deposited for the purpose of retiring debt or paying debt service for various General Fund projects.

The only item in the General Fund Debt Service expense budget is the \$254.6 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 for projects in the General Fund.

<b>EXPENSE BUDGET BY OBJECT CLASS GENERAL FUND</b>							
		<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
<b>Obj</b>	<b>Name</b>						
HD	Debt Svc Chargebacks	\$252,717,247	\$250,904,860	\$254,589,814	\$254,589,814	\$1,872,567	\$3,684,954

Looking at the chart at the end of this section, a baseline analysis of the debt service fund suggests that going forward, total general improvement long-term debt service obligations will decrease from FY 07 by 43%. On the other hand, based on existing NIFA obligations, total tax set-asides will increase by 6.9% through 2010.

NIFA’s debt matures through the year 2025, and is comprised of fixed, variable and auction rate bonds issued at variable rates. As mentioned previously, other than a possible refunding of its debt if market conditions permit, and the issuance of \$15 million in 2006 and \$10 million in 2007 for certiorari refund purposes, NIFA has no plans to issue additional debt.

The County will be re-entering the market in 2007 to finance approximately \$129.0 million in long term capital needs, and \$20.0 million in judgments. Further, more TANs will be used in the future as the County draws down on its reserves and NIFA’s share of sales tax set asides increases over time, as the maturities on NIFA debt begins to increase. The last time the County issued TANs was in December 2005. A bond's market price can fluctuate over time, depending on a variety of factors including investor demand, interest rate movement, the bond's maturity date and the creditworthiness of the issuer. According to the proposed FY 07 budget, debt service for the County’s major operating funds in the amount of \$299.9 million is 11.9% of total projected expenditures and overall tax-supported debt per capita is \$1,937. The County’s ten year debt plan maintains that in 2014 debt service will be 8.59% of expenditures and debt per capita will be \$1,602.

<b>Debt Service Fund MYP Baseline Analysis</b>				
	FY 07	FY08	FY09	FY10
<b><u>Existing Obligations</u></b>				
<b>Long Term Debt</b>				
Principal	\$96,474,758	\$80,890,295	\$71,770,437	\$58,940,974
Interest	19,711,905	14,840,180	10,602,573	6,916,709
	<u>116,186,663</u>	<u>95,730,475</u>	<u>82,373,010</u>	<u>65,857,683</u>
<b>NIFA Set-asides</b>				
<b>Long Term Debt</b>				
Principal	85,088,333	98,298,333	104,486,667	109,850,000
Interest	85,132,908	81,708,566	77,583,682	74,149,857
Fees	2,764,904	2,720,648	2,660,047	2,607,694
	<u>172,986,145</u>	<u>182,727,547</u>	<u>184,730,396</u>	<u>186,607,551</u>
<b>Short Term Interest</b>				
BAN	1,100,000	9,450,666	0	0
TAN	5,005,000	8,766,809	9,779,688	10,104,112
	<u>6,105,000</u>	<u>18,217,475</u>	<u>9,779,688</u>	<u>10,104,112</u>
Expense of Loan	500,000	500,000	500,000	500,000
<b>Total Existing Debt Service</b>	<u>\$295,777,808</u>	<u>\$297,175,497</u>	<u>\$277,383,094</u>	<u>\$263,069,346</u>
<b><u>Future Debt Service</u></b>				
Capital & Judgments	\$0	\$28,620,114	\$40,902,669	\$53,193,183
Other	0	857,346	5,405,863	8,183,965
Open Space	4,100,000	4,100,000	4,100,000	4,130,712
Total future debt service	<u>\$4,100,000</u>	<u>\$33,577,460</u>	<u>\$50,408,532</u>	<u>\$65,507,860</u>
<b>Total Debt Service Costs</b>	<u>\$299,877,808</u>	<u>\$330,752,957</u>	<u>\$327,791,626</u>	<u>\$328,577,206</u>
<b>Note: Adjusted from FY 2007-2010 MYP to reflect Future County Debt Service for Open Spaces</b>				

OFFICE OF THE DISTRICT ATTORNEY

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

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

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

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

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

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

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

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

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

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

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

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

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

The revenue budget for the District Attorney is rising by 7.4%, or \$115,633, over that of the adopted 2006 budget primarily due to the interdepartmental charges. This revenue includes post conviction forfeiture as well as various grants. Such grants include aid to Prosecution, Motor Vehicle Theft and Insurance Fraud, Welfare Fund, and Stop DWI. Any interest accrued on these funds is credited to investment income.

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

## 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: it registers voters and maintains their records, it conducts primaries, general elections and all special elections called by the Governor, and it canvasses election results and certifies those results. The Board provides lists of registered voters to school, village, fire or special districts with a scheduled election.

	<b>Historical Expenditures</b>					
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	107	105	108	105	109	3.8%
Salaries	\$7,492,729	\$8,538,007	\$8,148,224	\$9,403,510	\$9,662,601	2.8%
Misc OTPS	462,581	800,705	660,045	799,800	1,004,638	25.6%
Contractual Services	309,802	457,658	408,778	549,000	549,000	0.0%
<b>Total</b>	<b>8,265,111</b>	<b>9,796,370</b>	<b>9,217,047</b>	<b>10,752,310</b>	<b>11,216,239</b>	<b>4.3%</b>

The chart above shows actual expenditures of the Board of Election since FY 03, with a projected amount for FY 06.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$8,776,506	\$9,403,510	\$14,449,685	\$9,662,601	\$886,095	\$259,091
BB	Equipment	112,500	82,500	106,500	106,500	(\$6,000)	24,000
DD	General Expenses	898,138	717,300	2,401,615	898,138	0	180,838
DE	Contractual Services	549,000	549,000	1,000,000	549,000	0	0
	<b>Total OTPS</b>	<b>1,559,638</b>	<b>1,348,800</b>	<b>3,508,115</b>	<b>1,553,638</b>	<b>(6,000)</b>	<b>204,838</b>
	<b>Grand Total</b>	<b>\$10,336,144</b>	<b>\$10,752,310</b>	<b>\$17,957,800</b>	<b>\$11,216,239</b>	<b>\$880,095</b>	<b>\$463,929</b>

The proposed 2007 expense budget for the Board of Elections is increased by \$880,095 from the 2006 adopted budget. The increase is directly related to the Help America Vote Act (HAVA) requirements. Also, HAVA has created a new position of Polling Place Coordinator to be hired for each Election Day as are the election inspectors. The proposed budget does not include sufficient dollars allocated to the salaries account. 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. We understand that the Office of Management and Budget has set aside approximately \$2.1M in the miscellaneous budget for the Board of Elections.

When compared to the current year’s budget the OTPS costs of Elections are the same for FY 07. There are no additional funds that can be used by the Board for general office expenses and the replacement of outdated or broken office equipment. The funds are allocated for mailings to over 870,000 registered voters of Nassau County, the trucking of polling machines to poll locations, the rental of polling places used in primary elections, traveling expenses and advertising costs.

The Board of Elections has informed OLBR that federal funds will be used to pay for the initial purchase of new polling machines, for approximately 1500 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 the New York State Election laws change based upon the functionality of these new machines, it could result in the need for 3000 to 4000 machines. These anticipated costs for only 1500 are represented in the FY 07 department request. The proposed FY 07 budget of \$11.2 million by the County Executive for Elections is approximately \$6.7 million less than the departmental request. The items, which were requested and not supported, include:

- Funding for Spanish language translators and other bi-lingual needs.
- Plotters to print ballots for voting machines.
- The replacement of a microfilm machine and conversion of cassettes to digital format.
- “Just in Time” appropriations for office supplies to be used on Election Day.
- A new phone system that allows for programming of automated messages for the public.
- Public education/advertising for new machines.
- Additional postage allocations.
- New State Law requires a 150% increase for Election Inspector training classes. (From \$10 to \$25)
- New State law requiring polling place coordinators for all polling places.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs. Request</b>
10	Administration	\$3,446,589	\$3,814,284	\$3,745,384	\$298,795	(\$68,900)
20	General Elections	5,801,180	11,121,516	6,161,480	360,300	(4,960,036)
30	Primary Elections	1,088,375	3,022,000	1,309,375	221,000	(1,712,625)
<b>Total</b>		<b>\$10,336,144</b>	<b>\$17,957,800</b>	<b>\$11,216,239</b>	<b>\$880,095</b>	<b>(\$6,741,561)</b>

The expense budget in the Administration control center is \$298,795 more than in 2006. The increase in General Elections of \$360,300 is grossly less than the additional \$5.3 million that the department had requested for adverting and public notices and additional funds for contractual raises and anticipated increases in both longevity and terminal leave pay. The Primary Elections account is increasing by only \$221,000 versus the \$1.9 million that the department had requested. The majority of the increase is comprised of two factors: 1) A new state law requires the Board to pay mileage to poll inspectors at a total cost of \$40,000. 2) Increases in budgeted salaries due to the new requirements.

Board of Elections Staffing Analysis							
		FY 06 Adopted	Sept-06 Actual	FY 07 Request	FY 07 Executive	Exec. vs 06 Adopt	Exec. vs Actual
<b>CC Full-time Staffing</b>							
10	Administration	44	44	46	46	2	2
20	General Elections	62	61	97	63	1	2
<b>Total Full-time</b>		<b><u>106</u></b>	<b><u>105</u></b>	<b><u>143</u></b>	<b><u>109</u></b>	<b><u>3</u></b>	<b><u>4</u></b>
<b>CC Part-time and Seasonal</b>							
10	Administration	0	0	0	0	0	0
20	General Elections	50	55	72	70	20	15
<b>Total Part-time and Seasonal</b>		<b><u>50</u></b>	<b><u>55</u></b>	<b><u>72</u></b>	<b><u>70</u></b>	<b><u>20</u></b>	<b><u>15</u></b>

Budgeted full time staffing for the Board of Elections in 2007 will remain relatively flat, increasing by three positions when compared to the current year’s budget. Part-time staffing will increase by 20 positions compared to the 2006 adopted budget level of 50.

Historical Revenue						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Rents & Recoveries	148,829	121,460	187,339	108,800	120,000	10.3%
Department Revenues	34,447	31,209	36,451	30,000	35,000	16.7%
<b>Total</b>	<b>\$183,276</b>	<b>\$152,668</b>	<b>\$223,790</b>	<b>\$138,800</b>	<b>\$155,000</b>	<b>11.7%</b>

The chart above shows the revenue realized by the Board since FY 03, with an estimated amount for FY 06.

REVENUE BUDGET							
Revenue Class		Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BF	Rents and Recoveries	\$120,000	\$108,800	\$120,000	\$120,000	\$0	\$11,200
BH	Department Revenues	35,000	30,000	35,000	35,000	0	5,000
<b>Grand Total</b>		<b>\$155,000</b>	<b>\$138,800</b>	<b>\$155,000</b>	<b>\$155,000</b>	<b>\$0</b>	<b>\$16,200</b>

The revenue budget for Elections remains flat when compared to the current year’s budget. Its major source of income is from the rental of voting machines budgeted in 2007 to generate \$120,000.

Departmental revenues will increase slightly over the current year's actual by \$5,000 in FY07. The Board of Elections collects fees for the sale of variety of data, such as forms, reports maps, and other various items. According to State law, the Board cannot generate revenue for this service but can only charge for the cost of producing such data.

The Board's justification for such a large increase is the federal mandate known as Help America Vote Act (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, we are in concurrence with the following 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 in the case of Nassau, it is approximately \$750,000. 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 and \$20 million depending on the direct and incidental costs of the new voting machines. The FY2007 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 million to the FY2007 Capital Budget, but then notes that that money represents the federal funds passed to the state.
- 3) Upon checking, it was found that first, some of the \$15 million was used to purchase what is called Plan B machines for this year's 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. These machines will not be utilized in future elections and were used in the first place as a result of the federal law suit 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 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 we do not budget for that expense, the state will deduct it from our 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 set their salaries. The budget submitted shows 16 new positions requested by the Board of Elections for voting machine technicians. These position requests were cut by the County Executive's Office.
- 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 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 requested 4 new positions for Language Minority Coordinator which were cut by the County Executive's office. Also, the Board will be establishing an interactive web site to comply with statutory provisions for voter education and poll worker training. Two web designers were requested, since this office operates in a bi-partisan environment, to set-up and maintain the site. The County Executive's office cut 1 of the requested positions.
- 6) Along with the web site, the Board requested 8 new positions for 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's request for these 8 new positions also included training new inspectors as well as existing ones. The County Executive's office cut all 8 positions in their submission.
- 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, we want to be sure 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 requested 6 HAVA compliance officer positions which the County Executive cut.
- 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 shows 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. The County Executive's budget eliminated that increase and submitted a budget with this line showing FY2006 funding levels for FY2007.

- 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 complete as much before the Primary election in 2007.

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 and a judge's order to install all the components of compliance anyway. 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 Local Municipalities revenue budgeted for FY2007 to cover the balance of the machines purchase. This reduction would create a big hole in the FY2007 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 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 first week in January.

All deadlines and dollar amounts are subject to change, based on regulations issued by the State Board of Elections.

**OFFICE OF EMERGENCY MANAGEMENT**

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

In FY 07, the Office hopes to further develop the Emergency Operations Center (EOC) as a centralized location to mitigate the effects of a disaster. It also expects to improve the communications among the numerous responding agencies during an emergency. The department believes that an enhanced communications network is essential for the County’s vigilance.

The Office anticipates participating in several task forces that will further the goals of the Office. It will continue to head the Grant Task Force 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. A member of OEM chairs the Storm Ready Task Force which consists of other municipal officials and is tasked primarily with the preparedness and recovery issues regarding hurricanes and storms. Lastly, 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 hopes to present to the Legislature in FY 07 a County Comprehensive Disaster Recovery Plan as well as a County Infrastructure Plan. The plans will address evacuation needs in the event of a hurricane or similar incident and the vulnerability of the County infrastructure. The Office looks to obtain a MOU with Long Island Bus in order to have on-hand approximately 90 buses that will facilitate evacuation procedures. It hopes to develop a County controlled three day supply of provisions to address the food supply needs of the County in the event of an emergency. The Office indicated that currently, the County has access to a food supply that is federally controlled. Consequently, the federal government has the authority to utilize the food supply in other areas outside of the County, which could render the supply insufficient for Nassau County needs. The Office will also participate in the Cities Readiness Initiative (CRI), a federal project that will identify and establish approximately 30 locations across Nassau County that will be used to disseminate medication in the event of an emergency.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	3	6	5	5	0.0%
Salaries	\$181,138	\$354,104	\$579,443	\$539,019	\$464,837	-13.8%
Misc OTPS	56,459	75,837	60,862	70,543	64,900	-8.0%
<b>Total</b>	<b>\$237,597</b>	<b>\$429,941</b>	<b>\$640,306</b>	<b>\$609,562</b>	<b>\$529,737</b>	<b>-13.1%</b>

The office has traditionally experienced increases in expenditures but our office projects a decrease of \$30,744 or 4.8% when compared to 2005 actuals due to one vacant full-time position. Additionally, the

Administration is proposing a budget in 2007 which would yield a decrease of \$79,825, excluding inter-departmental charges, resulting from a decline in salaries. The Office has increased its salary expenses and full-time headcount by two positions since FY 03 resulting in the rising costs in 2003 through 2005.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
AA	Salaries	\$542,905	\$539,019	\$644,837	\$464,837	(\$78,068)	(\$74,182)
BB	Equipment	36,193	36,193	33,298	33,298	(2,895)	(2,895)
DD	General Expenses	34,350	34,350	28,952	31,602	(2,748)	(2,748)
	<b>Total OTPS</b>	<b>70,543</b>	<b>70,543</b>	<b>62,250</b>	<b>64,900</b>	<b>(5,643)</b>	<b>(5,643)</b>
HF	Inter-Depart Charges	107,759	107,759	0	0	(107,759)	(107,759)
	<b>Grand Total</b>	<b>\$721,207</b>	<b>\$717,321</b>	<b>\$707,087</b>	<b>\$529,737</b>	<b>(\$191,470)</b>	<b>(\$187,584)</b>

Salaries, which make up 87.7% of the expense budget, are decreasing by \$74,182 or 13.8%, when compared to OLBR's 2006 projection. The Office utilized the services of a Correctional Center registered nurse which it does not expect to use in FY 07. The nurse provided shelter and human special needs planning for the Office. The position was never reflected in the Office's official headcount, a chargeback journal entry was made in July between the two agencies to reflect utilization. The Office anticipates the departure of two full-time positions, the Commissioner and Deputy Commissioner in the current fiscal year but expects replacements immediately after. The 2007 termination pay of approximately \$19,000 for the two positions was not included in the proposed budget. The exclusion may pose a risk to the department's 2007 salaries budget.

OTPS expenses, excluding inter-departmental charges, are decreasing by \$5,643 from the FY 06 budget. This results from a decrease of \$2,748 for general expenses and \$2,895 for equipment. The equipment budget of \$33,298 for FY 07 mainly consists of communication equipment. The majority of the general expenses is comprised of miscellaneous supplies and travel expenses.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office of Emergency Management. The Office will experience a decrease of \$107,759 in this category as the Administration has not proposed any budget. The current fiscal year projection includes \$107,759 in salary expenses that are reimbursed to the Fire Commission. According to the Administration the proposed incorporation of the Fire Commission into the General Fund would eliminate the Inter-departmental Service Agreement with the Fire Commission consequently eliminating the inter-departmental charges. The Office hopes to utilize the employee's services next year and it indicated that it requested a full-time position to provide permanency to the services. Additionally, the incorporation of the Fire Commission into the General Fund has encountered some obstacles and it seems questionable whether it is going to happen.

<b>Emergency Management Staffing Analysis</b>						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	6	5	7	5	(1)	0

The FY 07 proposed staffing headcount of five full-time positions will decrease by one full-time position when compared to the FY 06 budget but will reflect the September actual full-time staff. The Office requested seven full-time positions however the County Executive denied two full-time positions, a Director of Emergency Preparedness and a Director of Human Services. According to OEM, the two denied positions are critical to the fulfillment of the Office’s responsibilities and objectives. The department expects to maintain a headcount of five full-time positions next year.

<b>Historical Revenue</b>						
	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$0	\$420	\$73	\$134	\$0	0.0%
Federal Aid	0	168,735	168,736	171,267	261,931	52.9%
State Aid	0	10,455	0	0	0	0.0%
<b>Total</b>	<b>\$0</b>	<b>\$179,610</b>	<b>\$168,809</b>	<b>\$171,401</b>	<b>\$261,931</b>	<b>52.8%</b>

The Office experienced a dramatic increase in historical revenue of \$179,610 in FY 04 because the Office was created in FY 03 and was not fully operational. Additionally, the Office expects a 52.8% increase in revenue in FY 07 due to an increase in federal aid. However the Office indicated that the additional revenue was traditionally reflected in the Grant Fund but will be reflected in the General Fund in FY 07.

<b>REVENUE BUDGET</b>							
<u>Revenue Class</u>		<u>Adopted FY 06 Budget</u>	<u>OLBR FY 06 Projection</u>	<u>FY 07 Dept. Request</u>	<u>FY 07 Exec. Budget</u>	<u>Variance Exec. vs Adopted 06</u>	<u>Variance Exec. Vs FY 06 Proj.</u>
BF	Rents & Recoveries	\$0	\$134	\$0	\$0	\$0	(\$134)
FA	Federal Aid	171,267	171,267	171,267	261,931	90,664	90,664
<b>Grand Total</b>		<b>\$171,267</b>	<b>\$171,401</b>	<b>\$171,267</b>	<b>\$261,931</b>	<b>\$90,664</b>	<b>\$90,530</b>

The FY 06 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 \$90,664 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 so the total revenue received from all funds by the Office might not be as significant.

In addition, the Office of Emergency Management receives funds from a Homeland Security Grant that is not reflected in the General Fund budget. The funds received from the grant are represented in the County's Grant Fund. Since the inception of the Office, it has received \$2,219,939. The principal components of the funds have been allocated for consulting services and equipment in the amounts of \$1,099,791 and \$1,078,784, respectively. Of the \$2,219,939 of received funds, \$1,585,109 will be available for use in FY 07.

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

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

**REVENUE BUDGET**

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

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

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

**Historical Expenditures**

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

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

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

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

Salaries are increasing by \$498,000 from \$9.4 million in FY 06 to \$9.9 million in FY 07. The salary budget includes a 3.5% COLA increase as of January 1, 2006 for CSEA employees, plus annual step increases. A portion of the salary increase is related to an increase of \$87,000 in overtime. The FY 06 salary projection is \$9.7 million or \$255,000 over budget. This deficit results primarily from overtime, which is mostly utilized to generate revenue through emergency light testing and accelerated test inspections.

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

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

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

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

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

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

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

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

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

## DEPARTMENT OF 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 five members of the Board of Health oversee all activities and staff.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	244	239	235	245	249	1.6%
Salaries	\$14,527,060	\$15,042,444	\$16,212,696	\$16,605,564	\$17,837,184	7.4%
Misc OTPS	1,588,738	2,277,451	1,847,058	1,756,556	1,894,156	7.8%
Contractual Services	48,403,083	49,219,025	6,205,256	7,342,000	6,443,000	-12.2%
Early Inter./Spec. Ed.	0	0	39,720,288	150,000,000	153,522,441	2.3%
<b>Total</b>	<b>\$64,518,881</b>	<b>\$66,538,920</b>	<b>\$63,985,298</b>	<b>\$175,704,120</b>	<b>\$179,696,781</b>	<b>2.3%</b>

From a historical point of view total expenditures have increased from \$64.5 million in FY 03 to \$179.7 million in FY 07. The significant rise in the FY 06 projection is due to the transfer of Pre-school Education services from the Mental Health Department into the Health Department. The transfer of the Pre-school Education program resulted in an additional \$98 million to the Health Department's budget in FY 06. Of the \$153.5 million in the Early Intervention/Special Education services, \$107.5 is for the Pre-school Education program. The significant 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, PP (Early Intervention/Special Ed). In 2004, contractual services for Early Intervention were roughly \$44.0 million. Miscellaneous OTPS expenditures have varied from a low of \$1.6 million in FY 03 to a high of \$2.3 million in FY 04.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$17,167,418	\$16,605,564	\$18,089,266	\$17,837,184	\$669,766	\$1,231,620
BB	Equipment	30,000	27,600	27,600	27,600	(2,400)	0
DD	General Expenses	1,879,300	1,728,956	2,176,300	1,866,556	(12,744)	137,600
DE	Contractual Services	7,342,000	7,342,000	7,377,000	6,443,000	(899,000)	(899,000)
HH	Interfund Charges	25,000	25,000	25,000	25,000	0	0
PP	Early Int./Special Edu.	144,086,100	150,000,000	154,522,441	153,522,441	9,436,341	3,522,441
	<b>Total OTPS</b>	<b>153,362,400</b>	<b>159,123,556</b>	<b>164,128,341</b>	<b>161,884,597</b>	<b>8,522,197</b>	<b>2,761,041</b>
HF	Inter-Depart Charges	5,429,603	5,429,603	0	2,668,834	(2,760,769)	(2,760,769)
	<b>Grand Total</b>	<b>\$175,959,421</b>	<b>\$181,158,723</b>	<b>\$182,217,607</b>	<b>\$182,390,615</b>	<b>\$6,431,194</b>	<b>\$1,231,892</b>

Salaries are increasing from the FY 06 adopted budget by \$670,000 or 3.9%. The \$17.8 million salary budget includes a 3.5% CSEA contractual increase effective January 1, 2006. The salary budget is sufficient for the current level of staffing and all positions budgeted for 2007. The FY 06 projection for salaries is currently producing a surplus of \$562,000 due to five vacant positions.

Other than personal services is increasing by \$8.5 million. This is primarily due to the increase in the Pre-school Education budget, which is going to \$108.0 million in 2007, \$9.5 million over the 2006 budget. The increase is attributed to greater pre-school costs, itinerant services, transportation costs and evaluations. The number of children enrolled in the Pre-school Education program is projected to increase from 6,550 in 2006 to 6,700 children in 2007, resulting in higher pre-school costs. Itinerant services, special one on one sessions for the students, are increasing by \$5.4 million. Transportation costs are increasing in FY 07 by \$1.2 million. The department pays for transportation of children to the center based schools. Evaluations are increasing by \$265,000. The department is responsible for 10% of the summer school program for children ages three through five years. This cost is decreasing in FY 07 by 50,000. The FY 07 projection of \$150.0 million for Early Intervention/Special Education is over budget due to retroactive rate increases for pre-school providers.

General expenses are decreasing by \$13,000 or 0.7%, reflecting the Administration's reduction in all OTPS expenses. Decreases include office supplies in Administration and medical supplies for Public Health and Children's Early Intervention. This is partially offset by the inclusion of additional general expense of \$101,000 for the rabies vaccine-bait program.

The contractual services FY 07 budget of \$6.4 million is a decrease of \$899,000. The FY 06 budget included a one-time expense for the initiative "Common Sense for the Common Good." The initiative is to help prevent unintended pregnancies and support women who face unintended pregnancies. The majority of contractual services reside in the Public Health control center. The 2006 funds for these contracts have not yet been encumbered; the funds will support these contracts through 2007.

Also included in contractual services is a \$5 million payment made to the Nassau Health Care Corporation, as per the acquisition agreement. These payments are in consideration of the Corporation providing certain contractual services, the cost for which the County can receive state reimbursement of between 30%-36%, pursuant to Article 6 of the New York State Public Health Law. Services covered include tuberculosis clinical evaluation, family planning, and sexually transmitted disease testing and treatment.

Inter-departmental charges are decreasing significantly from \$5.4 million in FY 06 to \$2.7 million in FY 07. The decrease is due to the elimination of \$3.1 million in indirect charges. This was left out in error and OMB will recommend an adjustment. 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 gasoline.

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

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs. Request</b>	
10 Administration	\$7,487,280	\$2,396,462	\$4,582,215	(\$2,905,065)	\$2,185,753	
20 Environmental Health	7,033,307	7,505,518	7,689,551	656,244	184,033	
30 Laboratory Research	2,663,375	2,601,222	2,622,964	(40,411)	21,742	
40 Public Health	9,754,748	10,191,231	8,908,644	(846,104)	(1,282,587)	
51 Children Early Interv Services	50,510,076	50,557,940	50,622,327	112,251	64,387	
54 Pre-School Special Education	98,510,635	108,965,234	107,964,914	9,454,279	(1,000,320)	
<b>Total</b>	<b>\$175,959,421</b>	<b>\$182,217,607</b>	<b>\$182,390,615</b>	<b>\$6,431,194</b>	<b>\$173,008</b>	

The control center for Pre-school Education is the largest component of the Health Budget. This control center is budgeted for \$108.0 million in 2007, which is an increase of \$9.5 million from FY 06. 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 \$50.6 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 billing, revenue receipt, and preparation of State and Federal Aid claims, human resources, community health assessment and public information functions. Administration is decreasing \$2.9 million due to the removal of indirect charges as previously discussed.

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 9.3% increase in Environmental Health is due in part to an increase in medical supplies and expenses of \$101,000 for the provisions of baits for wildlife rabies control to prevent spread beyond northern Nassau County. Currently this line item shows as an increase of \$202,000 but there should be a technical adjustment to correct this. Salary expenses increased by \$302,000 for CSEA contractual increases.

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

Public Health includes all personal and public health services. Public Health is decreasing by \$846,000 due to contractual services which is reducing funds for program agencies. This is for the one-time expense for the initiative "Common Sense for the Common Good" budgeted in FY 06 as previously discussed.

### Health Department Staffing Analysis

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	33	32	33	33	0	1
20 Environmental Health	96	95	97	95	(1)	0
30 Public Health Laboratories	25	24	24	24	(1)	0
40 Public Health	28	29	31	29	1	0
51 Child Early Interven.	60	57	60	60	0	3
54 Pre-School Education	8	8	8	8	0	0
<b>Total Full-time</b>	<b><u>250</u></b>	<b><u>245</u></b>	<b><u>253</u></b>	<b><u>249</u></b>	<b><u>(1)</u></b>	<b><u>4</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	9	6	9	9	0	3
20 Environmental Health	18	17	18	18	0	1
30 Public Health Laboratories	3	3	3	3	0	0
40 Public Health	2	2	2	2	0	0
51 Child Early Interven.	0	0	0	0	0	0
<b>Total Part-time and Seasonal</b>	<b><u>32</u></b>	<b><u>28</u></b>	<b><u>32</u></b>	<b><u>32</u></b>	<b><u>0</u></b>	<b><u>4</u></b>

The FY 07 budget is decreasing by one full-time position from the FY 06 budget and increasing by four positions from the current staffing level. The four positions are made up of one position in Administration and three positions in Children's Early Intervention. Part-time staffing remains unchanged at 32 positions from the FY 06 budget.

### Historical Revenue

	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Permits & Licenses	3,561,720	3,502,665	3,799,792	3,603,580	3,717,580	3.2%
Fines & Forfeits	151,665	260,660	232,825	225,000	225,000	0.0%
Rents & Recoveries	1,288,050	4,252,902	4,222,229	50,000	50,000	0.0%
Department Revenues	8,410,226	7,600,179	7,185,673	8,601,900	8,901,900	3.5%
State Aid	26,887,426	24,621,251	24,592,046	88,381,730	90,992,338	3.0%
<b>Total</b>	<b><u>\$40,299,086</u></b>	<b><u>\$40,237,657</u></b>	<b><u>\$40,032,566</u></b>	<b><u>\$100,862,210</u></b>	<b><u>\$103,886,818</u></b>	<b><u>3.0%</u></b>

Historically, revenue has increased from \$40.3 million in FY 03 to \$103.9 million proposed in FY 07. 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

\$3.6 million in FY 03 to \$3.7 million in FY 07. Department revenues have varied from \$8.4 million in FY 03 to \$8.9 million in FY 07. Rents and recoveries are received for disencumbrances of prior year encumbrances and have varied significantly \$4.2 million in FY05 to \$50,000 in FY 07.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>	
AA Fund Balance	\$867,000	\$867,000	\$0	\$0	(\$867,000)	(\$867,000)	
BC Permits & Licenses	3,603,580	3,603,580	3,717,580	3,717,580	114,000	114,000	
BD Fines & Forfeits	225,000	225,000	225,000	225,000	0	0	
BF Rents & Recoveries	50,000	50,000	50,000	50,000	0	0	
BH Department Revenues	8,601,900	8,601,900	8,901,900	8,901,900	300,000	300,000	
BW Interfund Charges	0	0	0	101,058	101,058	101,058	
SA State Aid	85,081,730	88,381,730	91,800,000	90,992,338	5,910,608	2,610,608	
<b>Total</b>	<b>\$98,429,210</b>	<b>\$101,729,210</b>	<b>\$104,694,480</b>	<b>\$103,987,876</b>	<b>\$5,558,666</b>	<b>\$2,258,666</b>	

The FY 07 revenue budget is increasing from the FY 06 budget by \$5.6 million to \$104.0 million. The majority is located in Pre-school Education. The department receives 59.5% staid aid reimbursement for approved services for education, related services, evaluations and transportation costs. State aid reimbursement for Children's Early Intervention services is decreasing \$138,000 to \$21.5 million from the FY 06 budget due to an increase in Medicaid reimbursements. State aid is net of all revenue so the increase in Medicaid has the effect of lowering state aid eligible expenses.

Permits and licenses, at \$3.7 million, are increasing by \$114,000 from FY 06. This is due to increased fees charged for the Food Establishment Inspection Program and the Hazardous Materials Article XI Program. 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 with 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 \$935,000, an increase of \$34,000 over 2006. Their permits include day camp permits, realty subdivision filings, x-ray surveys and inspections, swimming pools and beaches, hazardous material registration, temporary residence inspections, manufacturing frozen desserts, cross connection control program, water supply plan review, tattoo parlor and lifeguard certifications.

Fines and forfeitures remain flat in FY 07 at \$225,000. Fines collected for Public Health violations include improper food handling, public swimming violations, improper storage of toxic and hazardous materials, the sale of tobacco products to minors, smoking in indoor facilities, sanitation violations, failure to maintain diagnostic x-ray equipment and records, day camp code violations, water quality violations and cross connection violations.

The \$300,000 or 3.5% increase in Department revenues is for Medicaid receipts in the Early Intervention Program. The percent of Medicaid eligible children enrolled in the program has been slowly increasing.

## OFFICE OF HOUSING & INTERGOVERNMENTAL AFFAIRS

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



Figure 1 - Coes Neck Park, Village of Baldwin

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

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

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$0	\$159	\$450	\$0	0.0%
Federal Aid	0	0	118,214	0	600,000	0.0%
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$118,373</b>	<b>\$450</b>	<b>\$600,000</b>	<b>0.0%</b>

The Office received no revenue in the General Fund for FY 03 and FY 04. In FY 05 the Office had \$118,373 in revenue, excluding inter-fund charges, primarily from federal aid. In FY 06 the proposed budget includes \$600,000 in revenue from federal aid.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>	
BF Rent & Recoveries	\$0	\$450	\$0	\$0	\$0	(\$450)	
BG Revenue Offset To Expense	150,000	0	0	0	(150,000)	0	
BW Interfund Charges	582,838	582,838	608,597	608,597	25,759	25,759	
FA Federal Aid Reimb. Exp.	400,000	0	600,000	600,000	200,000	600,000	
SA State Aid - Reimb. Exp.	1,800,000	0	1,800,000	1,800,000	0	1,800,000	
<b>Total</b>	<b>\$2,932,838</b>	<b>\$583,288</b>	<b>\$3,008,597</b>	<b>\$3,008,597</b>	<b>\$75,759</b>	<b>\$2,425,309</b>	

The \$20.3 million in HUD funding for CDBG, HOME and ESG programs for the FY 2006-07 32<sup>nd</sup> program year is reflected in the Grant Fund, not the General Fund operating budget. The 2007 General Fund revenue budget for OHIA is \$3.0 million which is made up primarily of federal and state grants. The largest portion of 2007 revenue is for \$1,800,000 in state aid which will fund various phases of the Brownfields Redevelopment Initiatives that include the clean up of Coes Neck Park. The state aid reimbursements of \$1.8 million budgeted in FY 06 will not be received this year because the projects have been delayed, therefore the Office has included \$1.8 million in the FY 07 proposed budget. The clean up project commenced in FY 05 with a budget of \$4,950,000, however, most of the revenues were not realized. The Office intends on allocating the remaining portion of \$3,150,000 in the out-years. Additionally, the FY 06 revenue offset to expense budget of \$150,000, which was supposed to come from developers and be utilized for the Coes Neck remediation, will not be realized in 2006 and there is no proposed budget for this revenue class in 2007. The \$400,000 of federal aid revenue for FY 06 was supposed to come from grants that are funded by the U.S Environmental Protection Agency (EPA). The budgeted revenue was comprised of a Hazardous Substance grant for \$200,000 and a Petroleum grant for the same amount. The federal reimbursements funds will not be realized in FY 06. The Office is expecting to receive \$600,000 from the EPA grants in 2007. It is important to note that the reduction in projected revenue for 2006 should result in a similar reduction in projected expenses since the revenues are either reimbursements or offsets to expenses.



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 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 inter-fund revenue appropriation should be established to support that portion of the salaries and fringe benefits of County General Fund employees eligible to be charged against grant funds. This is reflected in the revenue budget under inter-fund charges (BW) in the amount of \$608,597 in FY 07.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	0	11	13	11	11	0.0%
Salaries	\$47,849	\$641,472	\$1,009,928	\$1,053,074	\$1,071,146	1.7%
Misc OTPS	0	10,845	43,976	188,380	265,000	40.7%
Contractual Services	0	275,059	174,561	0	2,595,000	0.0%
<b>Total</b>	<b>\$47,849</b>	<b>\$927,376</b>	<b>\$1,228,465</b>	<b>\$1,241,454</b>	<b>\$3,931,146</b>	<b>216.7%</b>

The Office had a significant increase in expenditures, excluding inter-departmental and inter-fund charges, in FY 04 mainly because the Office had virtually no expenditures in FY 03. The Office also experienced an increase of \$301,089 or 3% in expenditures in FY 05 primarily due to rising salaries. OLBR’s FY 06 expenditure projection is basically equal to 2005’s actual expenses.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$1,100,029	\$1,053,074	\$1,126,146	\$1,071,146	(\$28,883)	\$18,072
BB	Equipment	7,000	7,600	18,000	18,000	11,000	10,400
DD	General Expenses	196,500	180,780	247,000	247,000	50,500	66,220
DE	Contractual Services	2,575,000	0	2,595,000	2,595,000	20,000	2,595,000
	<b>Total OTPS</b>	<b>2,778,500</b>	<b>188,380</b>	<b>2,860,000</b>	<b>2,860,000</b>	<b>81,500</b>	<b>2,671,620</b>
HF	Inter-Depart Charges	1,049,229	1,049,229	0	627,848	(421,381)	(421,381)
	<b>Grand Total</b>	<b>\$4,927,758</b>	<b>\$2,290,683</b>	<b>\$3,986,146</b>	<b>\$4,558,994</b>	<b>(\$368,764)</b>	<b>\$2,268,311</b>

OLBR is projecting the FY 06 salaries to come under the 2006 budget by \$46,955 mainly due to the two budget full-time positions that were not filled. The FY 07 proposed salaries budget is expected to increase by \$18,072 when compared to our office's projection. The rising costs are a result of proposed salary increases that are included in the FY 07 County Executive budget.

The FY 06 OTPS expense budget, excluding inter-departmental charges is \$2.9 million, most of which, \$2.6 million, is for contractual services. A large portion of the remainder, \$247,000, is for the general expenses. The \$2.6 million in contractual services is for various contracts for the Brownfields Redevelopment Initiatives which will be offset by grants from the federal EPA and state DEC.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Housing & Intergovernmental Affairs. The proposed budget charges of \$627,848 include \$267,925 for indirect charges, \$185,346 for information technology charges and \$85,072 for building occupancy charges.

<b>Office of Housing &amp; Intergovernmental Affairs Staffing Analysis</b>						
	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	13	11	11	11	(2)	0

The proposed budget will fund 11 full-time positions, a decrease of two full-time positions over the FY 06 budget. However, the proposed staffing is the same as the current headcount. The office was budgeted in 2006 with an Administrative Assistant and a Program Development Coordinator that were never filled. The current number of employees working in OHIA funded through the Grant Fund is 57.

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**Out-Year Initiatives**

NAME	FY 2008	FY 2009	FY 2010
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. From this, the County is expected to realize an increase in sales and property tax collections if additional businesses that are attracted to the Empire Zone establish commerce in locations that were previously vacant and the jobs created are filled by individuals that will spend more money in Nassau County. The Administration anticipates as much as 500 new jobs to be created from the program. However it is difficult to quantify the projected revenue due to the early stage of the program and insufficient detailed information provided by the Administration.

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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	8	8	12	13	14	7.7%
Salaries	\$514,387	\$557,337	\$702,592	\$746,166	\$833,169	11.7%
Misc OTPS	40,217	40,000	76,435	83,812	83,650	-0.2%
Contractual Services	39,810	52,000	386,148	0	118,700	*****
<b>Total</b>	<b>\$594,414</b>	<b>\$649,337</b>	<b>\$1,165,175</b>	<b>\$829,978</b>	<b>\$1,035,519</b>	<b>24.8%</b>

The chart above shows actual expenditures for the Human Resources Department since FY 03, with a projected amount for FY 06. The largest change historically has been in salaries because of the increase in headcount. Another significant change has been in contractual services. The increase in DE is due to the fact that background investigations were performed on new ordinance employees in various departments using a third-party contractor and multiple training courses in Equal Opportunity and Civil Service review for HR manorial personnel.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$696,006	\$746,166	\$863,169	\$833,169	\$137,163	\$87,003
DD	General Expenses	91,100	83,812	83,650	83,650	(7,450)	(162)
DE	Contractual Services	118,700	0	118,700	118,700	0	118,700
	<b>Total OTPS</b>	<b>209,800</b>	<b>83,812</b>	<b>202,350</b>	<b>202,350</b>	<b>(7,450)</b>	<b>118,538</b>
	<b>Grand Total</b>	<b>\$905,806</b>	<b>\$829,978</b>	<b>\$1,065,519</b>	<b>\$1,035,519</b>	<b>\$129,713</b>	<b>\$205,541</b>

Salaries have increased from the FY 06 budget by \$137,163 or 19.7%. General expenses are decreasing by \$7,450 from the FY 06 budget. Contractual services are remaining flat. These funds are utilized for outside contractors to help provide training seminars for management training, and organizational development.

REVENUE BUDGET						
Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BF Rents & Recoveries	0	7,742	0	0	0	(7,742)
BI Departmental Revenue	0	0	216,183	216,183	216,183	216,183
<b>Grand Total</b>	<b>\$0</b>	<b>\$7,742</b>	<b>\$216,183</b>	<b>\$216,183</b>	<b>\$216,183</b>	<b>\$208,441</b>

This is the first year that the Human Resources department has shown revenue. The department requested \$144,122 to be charged back to the Information Technology department for the work that was done on the Human Resources Management System. The other \$72,061 from the \$216,183 is for fringe benefits.

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 the training time required. This initiative was originally expected to begin in 2004 but was delayed due to lack of IT 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 department issued an RFP in June of 2005 for a systems integration company to perform needs assessment, determine the best software available for the County, and implement the new system, and Accenture was selected as the vendor. Accenture completed the task, but as of October 2006, no action has been taken on the vendor's recommendation. 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 achieve. During our 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 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	12	13	14	14	2	1
Part-time and Seasonal	2	3	3	3	1	0

The salary line is the current salary for HR employees plus additional staff in 2007. In addition, through some budget errors last year a clerk's salary was not included in the AA line. The Budget Office later made the correction. Staffing levels for full-time employees are increasing by two positions over the FY 06 budget. In addition, with the imminent departure of the Deputy Director, there will be another vacancy in this position or for an HR Manager in case the position is filled by promotion.

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.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	10	10	10	10	10	0.0%
Salaries	\$590,432	\$523,520	\$572,233	\$581,698	\$811,220	39.5%
Misc OTPS	3,736	2,480	1,469	29,474	31,983	8.5%
Contractual Services	0	0	0	23,190	25,000	7.8%
<b>Total</b>	<b>\$594,168</b>	<b>\$526,000</b>	<b>\$573,702</b>	<b>\$634,362</b>	<b>\$868,203</b>	<b>36.9%</b>

As seen in the chart above, the Commission’s full-time headcount has remained flat since FY 03. Historically salaries have been the major portion of the department’s expense. Prior to FY 06 payroll has represented over 99% of the expense budget. 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 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$647,471	\$581,698	\$811,220	\$811,220	\$163,749	\$229,522
BB	Equipment	6,704	6,168	6,150	6,150	(554)	(18)
DD	General Expenses	25,333	23,306	25,833	25,833	500	2,527
DE	Contractual Services	25,206	23,190	25,000	25,000	(206)	1,810
	<b>Total OTPS</b>	<b>57,243</b>	<b>52,664</b>	<b>56,983</b>	<b>56,983</b>	<b>(260)</b>	<b>4,319</b>
	<b>Grand Total</b>	<b>\$704,714</b>	<b>\$634,362</b>	<b>\$868,203</b>	<b>\$868,203</b>	<b>\$163,489</b>	<b>\$233,841</b>

The proposed FY 07 budget for the Commission would be an increase of \$163,489, or 23.2%. Salaries make up the entire additional expense, while OTPS is decreasing slightly. The salaries line includes

funding of \$125,000 for the Summer Aid program, \$75,000 more than in the current year. This 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. Last year approximately thirty students were involved in this program. This year the participation has increased to forty-seven students. The Commission will receive \$50,000 in CDBG funding for the program.

The Commission utilizes its contractual services account to secure the services of outside counsel. In the event the Commission becomes involved in litigation, conflict of interest prevents the County Attorney from representing the County and the Commission where other County agencies are involved.

Starting next year, contractual funding will also be used to hire administrative law judges to preside over housing discrimination cases, as per Local Law 9-2006, which becomes effective on January 1, 2007. The legislation provides for local enforcement of the County's open housing legal protections and sets forth an administrative enforcement procedure within the Commission in which the complainant and Commission-initiated complaints can be filed, investigated and heard before an administrative judge. Compensation for these judges would range from \$300 to \$400 per day. Due to the uncertainty in determining case volume, the proposed contractual services appropriation of \$25,000 may be insufficient. In that case, the Executive Director of the Commission has been assured of support from the Administration in the form of additional personnel. Plans are being made to utilize law students from Hofstra and Touro as an additional resource to work on the complaints, which must be processed within 100 days of initiation date. The County Attorney's office will also play a supervisory role in housing cases. The County Attorney's office will be responsible for housing related injunctions. It is unclear at this point if the supervisory role will extend to other types of cases.

The amended law enables the County to request substantial equivalency certification under the Fair Housing Assistance Program (FHAP) to qualify for financial support from the United States Department of Housing and Urban Development (HUD) for enforcement costs. Currently, substantial equivalency certification occurs when existing New York State and federal housing discrimination standards are enforced by the County as per the Federal Fair Housing Act. Although the Commission will seek certification, the proposed budget does not include any revenue related to the Fair Housing law.

There was another local law passed this year pertained to the Human Rights Commission. Local Law 8-2006 requires every employment agency engaged in the job placement of domestic or household employees to provide each applicant for employment a written statement indicating the rights of such employees and the obligations of his or her employer under State or Federal law. The statement of rights and obligations shall include, but not be limited to: a general description of employee rights and employer obligations pursuant to laws regarding minimum wage, overtime and hours of work, record keeping, social security payments, unemployment insurance coverage, disability insurance coverage and workers' compensation. The statement of rights will be prepared in English, Spanish and Creole and will be distributed by the chair of the Commission on Human Rights to employment agencies, as requested, and posted on the County web-site. The agencies are required to keep a signed copy on file for three years.

Although fines may be issued up to \$1,000, the intent of the law is for disclosure purposes only and is not expected to be a revenue source to the County.

**Commision on Human Rights  
Staffing Analysis**

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Exceutive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	10	10	12	10	0	0
Part-time and Seasonal	0	0	0	2	2	2

Full-time headcount will remain at 10, while 2 part-time positions are added. The Commission had requested twelve full-time staff. The positions not granted were Clerk Steno III and a Human Relations Representative I. Instead of getting a fifth Human Relations Representative, one of the existing positions was eliminated and replaced by a Human Relations Representative I Bilingual. An additional Human Relation Representative is still needed in order to accommodate the workload associated with the new housing and domestic worker legislation. The two new part-time positions are Clerk I's.

**Historical Revenue**

	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$0	\$0	\$1,214	\$0	\$0	0.0%
Interfund Charges	0	0	0	0	50,000	0.0%
<b>Total</b>	\$0	\$0	\$1,214	\$0	\$50,000	0.0%

The chart above shows revenues realized by the Commission since FY 03. The rents and recoveries received in FY 05 was a recovery from a previous year's encumbrance. The FY 07 interfund charge is discussed below.

**REVENUE BUDGET**

<u>Revenue Class</u>	<u>Adopted FY 06 Budget</u>	<u>OLBR FY 06 Projection</u>	<u>FY 07 Dept. Request</u>	<u>FY 07 Exec. Budget</u>	<u>Variance Exec. vs Adopted 06</u>	<u>Variance Exec. Vs FY 06 Proj.</u>
BW Interfund Charges	\$0	\$0	\$0	\$50,000	\$50,000	\$50,000

There is only one item in the Commission's 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. This brings the FY 07 total for the program to \$125,000.

As previously mentioned, although it has not been budgeted, the Human Rights Commission may receive funding from HUD if the County law is deemed substantially equivalent to the federal law. In

that case, 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 07 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.

The fair housing law may also produce fine revenues which have not been incorporated into the FY 07 Executive Budget. Civil penalties for unlawful discriminatory practices or for violating orders of the Commission will range from not more than \$50,000 for unlawful discriminatory practice and not more than \$100,000 when an unlawful discriminatory practice is the result of a willful, wanton or malicious act. An additional civil penalty of \$1,000 dollars per day will be imposed for each day that a violation continues. Any civil penalties recovered shall be paid into the County's General Fund.

**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 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	95	94	96	100	104	4.0%
Salaries	\$8,114,983	\$8,886,393	\$8,840,306	\$8,727,270	\$9,192,419	5.3%
Misc OTPS	5,165,573	1,626,100	1,654,785	2,227,402	2,186,708	-1.8%
Contractual Services	11,565,436	5,595,796	4,712,204	5,297,908	8,219,056	55.1%
Utility Cost	5,660,462	5,098,000	5,717,577	4,179,000	4,909,602	17.5%
Inter-depart Charges	0	849,523	873,713	1,297,130	1,926,713	48.5%
<b>Total</b>	<b>\$30,506,454</b>	<b>\$22,055,813</b>	<b>\$21,798,584</b>	<b>\$21,728,710</b>	<b>\$26,434,498</b>	<b>21.7%</b>

The proposed FY 07 Budget for the Department of Information Technology (DoIT) is \$26.4 million, which is an increase of 7.9% over the FY06 budget. In FY 07 the department will be using its capital funds to continue to start projects that include eGovernment, and the proposed Cisco network topologies and equipment upgrade. DoIT has informed OLBR that it is abandoning its effort to separately implement HRMS, but will continue to pursue the Time and Attendance project. DoIT will begin the process to evaluate the requirements for a New Financial System to replace Tier Technologies (FMS), and integrate the HRMS into the Enterprise Solution.

The basic cost for the Time and Attendance 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 the training time required. 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 achieve. During our 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).

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**INFORMATION TECHNOLOGY**

<b>Program</b>	<b>Modified 2006 Budget</b>	<b>2007 Budget</b>	<b>Difference</b>
Application Support	\$3,123,698	\$2,997,593	(\$126,105)
Client Relationship	574,574	160,726	(413,848)
Data Center Operations	4,566,292	5,545,910	979,618
Desktop Support	2,234,443	2,156,439	(78,004)
E-Mail/Server	833,218	776,843	(56,375)
Network	1,301,020	1,399,866	98,846
Support	1,544,240	2,558,055	1,013,815
Support- Inter Dept Chg	1,888,809	1,926,713	37,904
Telecommunications	4,634,934	6,033,259	1,398,325
Training	239,816	242,419	2,603
Web Services	1,593,883	1,029,228	(564,655)
GIS	769,028	757,394	(11,634)
IT Security	250,000	110,000	(140,000)
EDMS	158,010	56,160	(101,850)
PMO	822,344	683,893	(138,451)
<b>Total</b>	<b><u>\$24,534,309</u></b>	<b><u>\$26,434,498</u></b>	<b><u>\$1,900,189</u></b>

Funding is increasing over FY 06, the shift to more outsourcing of staffing and technical support functions continue to make DoIT dependent on consultants. As the County continues to develop Web-based applications and products, internal support for these products is lacking.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. Vs. Adopted 06</b>	<b>Variance Exec. Vs. FY 06 Proj.</b>
AA	Salaries	\$9,933,510	\$8,727,270	\$10,502,787	\$9,192,419	(\$741,091)	\$465,149
BB	Equipment	252,000	250,000	100,000	100,000	(152,000)	(150,000)
DD	General Expense	2,445,734	1,977,402	2,086,708	2,086,708	(359,026)	109,306
DE	Contractual Services	6,371,322	5,297,908	9,019,056	8,219,056	1,847,734	2,921,148
DF	Utility Cost	3,609,433	4,179,000	4,909,602	4,909,602	1,300,169	730,602
	<b>Total OTPS</b>	<b>12,678,489</b>	<b>11,704,310</b>	<b>16,115,366</b>	<b>15,315,366</b>	<b>2,636,877</b>	<b>3,611,056</b>
HF	Inter-Depart Charges	1,888,809	1,297,130	0	1,926,713	37,904	629,583
	<b>Grand Total</b>	<b>\$24,500,808</b>	<b>\$21,728,710</b>	<b>\$26,618,153</b>	<b>\$26,434,498</b>	<b>\$1,933,690</b>	<b>\$4,705,788</b>

The proposed budget for the salary related expenses of 104 full time employees is approximately \$9.0 million. This is four employees over the current full-time onboard positions, and DoIT plans to hire Network Analysts. DoIT has two control centers in the FY 07 budget: Administration and Internal Support Services. In FY 07 DoIT plans to chargeback approximately 30 positions to capital projects for the work they will be performing.

The total proposed OTPS budget is \$2.6 million more than the adopted FY 06 budget. The increase is mostly the result of contractual services going from \$6.4 million in FY 06 to \$8.2 million in FY07. The general expense category includes the cost of maintenance of software and licensing increases, and additional software tools.

The equipment account is used by the department to purchase computers for new employees and replacement computers for existing employees, County-wide, and is very small. An executive decision was made that all new or replacement computers and related hardware for County agencies would be purchased through the Capital Fund.

The contractual services category is reflective of additional maintenance contracts to support the increase and replacement of equipment and software, and maintained County staffing at relatively the same level. In addition, there is only \$150,000 included in general expenses for education expenses. The department uses these funds to train employees. With the ever changing nature of information technology and the slow turnover of County staff, it appears that more funds should be allocated to this account so employees can obtain training and acquire new technical skill sets.

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

department's FY 07 inter-departmental charges are for indirect charges at a cost of \$1.5 million, which includes \$247,000 for Comptroller, \$308,200 for County Attorney, \$68,000 for Management and Budget, and building occupancy charges of \$415,000.

Any Information Technology department with an operating budget of over \$26.5 million and a planned capital budget expenditure of over \$100 million over the next five years needs to ensure that it has a management team that is very strong in leadership skills, technology expertise, and customer relations. DoIT continues to depend on outside consultants to provide technical expertise and to fill management roles. An example is the role played by Contemporary Computer Services (CCSI, a Cisco only partner) in developing the network topology and recommending additional Cisco equipment in order to deploy the boxed equipment that is still in inventory. DoIT has allocated an additional million dollars for supplemental staffing for FY07, bringing the amount for contractual staffing to over \$2.4 million. DoIT continues to depend on consultants to maintain the County IT critical services.

<b>EXPENSE BUDGET</b>						
<b>BY Control Center</b>						
Control Center		<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs Request</b>
10	Administration	\$22,501,426	\$24,549,059	\$24,827,051	\$2,325,625	\$277,992
20	Internal Support Services	1,999,382	2,069,096	1,607,447	(391,935)	(\$461,649)
<b>Total</b>		<b>\$24,500,808</b>	<b>\$26,618,155</b>	<b>\$26,434,498</b>	<b>\$1,933,690</b>	<b>(\$183,657)</b>

Internal Support Service is decreasing because some costs have been shifted to Administration. Administration is also increasing because of increased contractual and telephone expenses compared to budget.

**Information Technology  
Staffing Analysis**

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actuals</u>
<b>CC Full-time Staffing</b>						
10 Administration	104	89	105	93	(11)	4
20 Internal Support Services	14	11	15	11	(3)	0
<b>Total Full-time</b>	<b><u>118</u></b>	<b><u>100</u></b>	<b><u>120</u></b>	<b><u>104</u></b>	<b><u>(14)</u></b>	<b><u>4</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	0	9	0	0	0	(9)
20 Internal Support Services	2	0	2	2	0	2
<b>Total Part-time and Seasonal</b>	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>0</u></b>	<b><u>(7)</u></b>

The department requested 120 full-time positions, of which 104 were granted by the Administration. This increase of four employees, as compared to the current actual headcount, will allow DoIT to fill some critical positions. The part-time staffing has declined due to outsourcing of technical support function.

A new organizational structure has been in effect beginning 2006. The Commissioner will have the following units reporting to him: IT Security, Administration, Operations, Program Office, Geographic Information Systems, and Electronic Documents Management System. DoIT has been moved under the Management, Budget and Finance vertical and reports to the Deputy County Executive for Finance.

	<b>Historical Revenue</b>					
	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>Proj./Exec %</u>
Rents & Recoveries	\$0	\$522,398	\$68,591	\$0	\$0	0.0%
Department Revenues	893,970	1,164,323	1,037,639	700,000	202,000	-71.1%
Capital Chargebacks	0	262,948	195,345	195,559	2,801,290	1332.5%
Interdepartmental Rev.	3,888,786	1,604,962	4,745,522	5,490,000	5,489,529	0.0%
Interfund Charges	0	2,314	0	637,618	0	-100.0%
State Aid	200,613	0	506,135	422,452	372,000	-11.9%
<b>Total</b>	<b><u>\$4,983,369</u></b>	<b><u>\$3,556,946</u></b>	<b><u>\$6,553,232</u></b>	<b><u>\$7,445,629</u></b>	<b><u>\$8,864,819</u></b>	<b><u>19.1%</u></b>

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

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>		<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. Vs. Adopted 06</b>	<b>Variance Exec. Vs. FY 06 Proj.</b>
BH	Department Revenues	202,000	700,000	202,000	202,000	0	(498,000)
BI	Capital Chargebacks	2,311,073	195,559	3,327,561	2,801,290	490,217	2,605,731
BJ	Inter-departmental Revenues	5,559,985	5,490,000	0	5,489,529	(70,456)	(471)
BW	Inter-fund Charges	660,000	637,618	0	0	(660,000)	(637,618)
SA	State Aid	372,000	422,452	372,000	372,000	0	(50,452)
<b>Grand Total</b>		<b>\$9,105,058</b>	<b>\$7,445,629</b>	<b>\$3,901,561</b>	<b>\$8,864,819</b>	<b>(\$240,239)</b>	<b>\$1,419,190</b>

Departmental revenues in FY 07, budgeted for \$202,000, represented the charges from sales generated by GIS. Inter-fund charges included information technology and telecommunication charges to Social Services for \$1.4 million, Senior Citizens \$262,000, Youth Board \$122,000, Police \$2.3 million, and Health Department \$627,000 in FY 07. It should be noted that a capital chargeback of \$2.8 million has been established to reflect the work that will be performed by County DoIT staff towards various capital projects.



Data Center: Main Console Area



Data Center: Servers

**INVESTIGATIONS**

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

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	4	4	4	4	5	25.0%
Salaries	\$303,048	\$350,339	\$293,038	\$327,493	\$388,304	18.6%
Misc OTPS	7,121	4,085	5,285	24,472	24,472	0.0%
Contractual Services	16,320	16,013	16,320	54,317	54,317	0.0%
<b>Total</b>	<b>\$326,489</b>	<b>\$370,437</b>	<b>\$314,643</b>	<b>\$406,282</b>	<b>\$467,093</b>	<b>15.0%</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 steady. 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 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$414,078	\$327,493	\$472,654	\$388,304	(\$25,774)	\$60,811
BB	Equipment	7,000	6,440	6,440	6,440	(560)	0
DD	General Expenses	19,600	18,032	18,032	18,032	(1,568)	0
DE	Contractual Services	54,317	54,317	54,317	54,317	0	0
	<b>Total OTPS</b>	<b>80,917</b>	<b>78,789</b>	<b>78,789</b>	<b>78,789</b>	<b>(2,128)</b>	<b>0</b>
	<b>Grand Total</b>	<b>\$494,995</b>	<b>\$406,282</b>	<b>\$551,443</b>	<b>\$467,093</b>	<b>(\$27,902)</b>	<b>\$60,811</b>

The proposed FY 07 budget for the Department of Investigations is \$27,902, or 5.6%, less than the budget adopted for the current year. Both salaries and OTPS have been reduced.

OLBR is projecting a surplus in salaries for FY 06. This is due to two full time vacancies, an administrative assistant and a special investigator position. These were new positions that had been authorized for FY 06, but were not filled due to the hiring freeze. The lines for equipment and general expenditures were cut by 8.0% as part of a Countywide expense reduction initiative in FY 06, and have been held at the reduced level in the proposed budget. The contracts line will remain flat. This funding is utilized to obtain investigative services that cannot be handled in-house.

<b>Investigations Staffing Analysis</b>						
	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Exceutive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	6	4	6	5	(1)	1

The Investigations Department requested six full-time employees, five of which have been included in the proposed budget. As mentioned previously, two investigators had been added to the FY 06 budget, but the positions were not filled due to the hiring freeze. One of these has been removed from the proposed budget. The additional position requested but not granted for FY 07 was a Staff Assistant, whose background would have been in white collar crimes such as time-sheet fraud, financial fraud and procurement fraud.

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.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	4	4	6	6	6	0.0%
Salaries	\$337,736	\$317,258	\$405,693	\$422,925	\$467,824	10.6%
Misc OTPS	3,249	2,603	3,301	9,200	15,200	65.2%
Contractual Services	0	0	0	3,000	3,000	0.0%
<b>Total</b>	<b>\$340,985</b>	<b>\$319,861</b>	<b>\$408,994</b>	<b>\$432,125</b>	<b>\$486,024</b>	<b>30.6%</b>

The chart above shows actual expenditures for the Office of Labor Relations since FY 03, with a projected amount for FY 06. The salary component is the major part of the department’s budget.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$423,400	\$422,925	\$467,824	\$467,824	\$44,424	\$44,899
BB	Equipment	0	0	6,000	6,000	6,000	6,000
DD	General Expenses	10,000	9,200	9,200	9,200	(800)	0
DE	Contractual Services	3,000	3,000	3,000	3,000	0	0
	<b>Total OTPS</b>	<b>13,000</b>	<b>12,200</b>	<b>18,200</b>	<b>18,200</b>	<b>5,200</b>	<b>6,000</b>
	<b>Grand Total</b>	<b>\$436,400</b>	<b>\$435,125</b>	<b>\$486,024</b>	<b>\$486,024</b>	<b>\$49,624</b>	<b>\$50,899</b>

The proposed FY 07 budget would increase 11.4% over the current year’s adopted budget. Salaries are increasing by \$44,424 or 10.5%. This increase results from the addition of \$16,000 for terminal leave and salary adjustments. The OTPS budget is increasing by \$5,200 due to the addition of a \$6,000 equipment line and a small reduction in general expenses. General expenses include costs for training seminars, both for the Labor Relations’ employees and other County employees. These costs also include legal materials and conferences.

<b>Labor Relations Staffing Analysis</b>						
	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	6	6	6	6	0	0

The proposed FY 07 headcount has remained steady in comparison to FY 06. The Office has not requested any additional personnel to support operations. The staff consists of one Commissioner, one Director of Employee Relations, one Assistant Director, one Deputy Director and two Secretaries.

## 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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Proposed</b>	<b>Proj./Exec.</b>
Full-time Headcount	85	83	87	86	94	9.3%
Salaries	\$4,310,216	\$4,233,919	\$4,692,411	\$5,059,659	\$6,701,123	32.4%
Misc OTPS	277,956	589,492	1,239,546	1,075,500	1,400,058	30.2%
Contractual Services	631,108	539,963	813,694	1,003,600	1,456,100	45.1%
<b>Total</b>	<b>\$5,219,281</b>	<b>\$5,363,374</b>	<b>\$6,745,651</b>	<b>\$7,138,759</b>	<b>\$9,557,281</b>	<b>33.9%</b>

The chart above shows actual expenditures for the Legislature since FY 03, with a projected amount for FY 06.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$5,589,610	\$5,059,659	\$6,701,123	\$6,701,123	\$1,111,513	\$1,641,464
BB	Equipment	62,500	62,500	72,558	72,558	10,058	10,058
DD	General Expenses	1,013,000	1,013,000	1,327,500	1,327,500	314,500	314,500
DE	Contractual Services	1,003,600	1,003,600	1,456,100	1,456,100	452,500	452,500
	<b>Total OTPS</b>	<b>2,079,100</b>	<b>2,079,100</b>	<b>2,856,158</b>	<b>2,856,158</b>	<b>777,058</b>	<b>777,058</b>
	<b>Grand Total</b>	<b>\$7,668,710</b>	<b>\$7,138,759</b>	<b>\$9,557,281</b>	<b>\$9,557,281</b>	<b>\$1,888,571</b>	<b>\$2,418,522</b>

The proposed FY 07 budget for the Legislature is increasing by \$1.9 million, or 24.6%. Most of this amount, \$1.1 million, is for salaries. OTPS expenses are increasing by \$777,058, or 37.4%, with contractual services rising from \$1.0 million to \$1.5 million and general expenses increasing by \$314,500, or 31.0%.

The additional funding for general expenses will go towards postage and advertising of legal notices. The increase in contractual services is for document storage and document scanning.

Funding for a salary increase, if possible for the nineteen legislators from \$39,500 to \$57,868 was included in the proposed budget, but the Presiding Officer has since stated that the money would not be used for this. The salaries line includes new salary adjustments for staff, as well as the impact of raises granted in FY 06. There is additional funding for the hiring of two additional full-time employees.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. Vs. Adopted 06</b>	<b>Variance Exec. Vs. Request</b>	
10 Legislators - Majority	\$2,273,033	\$2,838,126	\$2,838,126	\$565,093	\$0	
15 Legislators - Minority	2,045,728	2,567,919	2,567,919	522,191	0	
20 Legislative Central Staff	2,480,039	3,243,024	3,243,024	762,985	0	
30 Legislative Budget Review	869,910	908,212	908,212	38,302	0	
<b>Total</b>	<b>\$7,668,710</b>	<b>\$9,557,281</b>	<b>\$9,557,281</b>	<b>\$1,888,571</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.

<b>Legislature Staffing Analysis</b>						
	<b>FY 06 Adopted</b>	<b>Sept-06 Actual</b>	<b>FY 07 Request</b>	<b>FY 07 Executive</b>	<b>Exec. vs 06 Adopt</b>	<b>Exec. vs Actual</b>
<b>CC Full-time Staffing</b>						
10 Legislators - Majority	40	39	42	42	2	3
15 Legislators - Minority	30	27	30	30	0	3
20 Legislative Central Staff	11	9	11	11	0	2
30 Legislative Budget Review	11	11	11	11	0	0
<b>Total Full-time</b>	<b><u>92</u></b>	<b><u>86</u></b>	<b><u>94</u></b>	<b><u>94</u></b>	<b><u>2</u></b>	<b><u>8</u></b>
<b>CC Part-time and Seasonal</b>						
10 Legislators - Majority	19	29	12	12	(7)	(17)
15 Legislators - Minority	20	17	20	20	0	3
20 Legislative Central Staff	4	2	4	4	0	2
30 Legislative Budget Review	1	0	0	0	(1)	0
<b>Total Part-time and Seasonal</b>	<b><u>44</u></b>	<b><u>48</u></b>	<b><u>36</u></b>	<b><u>36</u></b>	<b><u>(8)</u></b>	<b><u>(12)</u></b>

Budgeted full-time headcount for FY 07 is increasing by two employees from the FY 06 adopted budget but decreasing by eight in part-time headcount.

OFFICE OF MANAGEMENT & BUDGET

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.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	48	42	45	33	38	15.2%
Salaries	\$3,450,014	\$3,343,567	\$3,013,010	\$2,805,291	\$3,014,764	7.5%
Misc OTPS	48,821	26,547	30,250	47,510	98,613	107.6%
Contractual Services	409,172	646,899	2,341,200	2,625,000	269,119	-89.7%
<b>Total</b>	<b>\$3,908,007</b>	<b>\$4,017,013</b>	<b>\$5,384,460</b>	<b>\$5,477,801</b>	<b>\$3,382,496</b>	<b>-38.3%</b>

The chart above shows actual expenditures for OMB since FY 03, with a projected amount for FY 06. During this period the Office has been re-organized, and at times has provided management employees for other agencies. In FY 03 full-time budgeted positions for the Office were increased from 17 to 35, and then to 46 in FY 04, and back down to 35 in FY 05. Full-time headcount fell from the September 05 actual positions due to personnel being transferred to the County Executive’s Office or 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.

**Capital Project Sponsor Expenses - \$1,198,666**

The Capital Project Sponsor Expenses initiative anticipates savings of \$1.2 million in FY 07. The revenue is generated by recovering eligible capital project expenses. Currently, only two departments: the Department of Public Works and Information Technology recover eligible expenses. This initiative expands the recovery to other Departments that may be eligible. Other departments that may be eligible to recover capital project expenses include the Police Department, the Traffic and Parking Violations Agency (TPVA) and Assessment, through the capital projects for Police Department Automated Finger Print Computer Upgrade, Police Department Interoperable Radio System, Assessment Cluster Workflow System, and TPVA Computer System Replacement.

**Risk Management Initiative - \$172,800**

The Administration plans to create a risk management unit within the Office of Management and Budget that will be responsible for the implementation and administration of the risk management initiative. Through the initiative the Administration hopes to reduce the County’s exposure to various risks which include injuries to County employees, damage to County property, injuries to citizens, damage to citizen

property, automobile accidents, actions of public officials and incidents arising from police activity. The Administration expects to realize savings of \$172,800 in FY 07 and \$522,800 in each subsequent year of the multi-year plan. The Administration’s expected savings are net of salary, fringe and contractual costs, which total \$800,000 annually. The savings is based on a 5% reduction in FY 06 appropriated workers’ compensation/paygo judgments and settlement costs, and capital funded judgments and settlement costs. The savings attributed to the reduction in the capital funded judgment and settlement costs will not be captured until FY 08. According to the Administration the usage of a 5% discount factor is based on the industry standard.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Executive vs Adopted	Executive vs FY 06 Proj.
AA	Salaries	\$2,578,313	\$2,805,291	\$3,276,764	\$3,014,764	\$436,451	\$209,473
BB	Equipment	7,500	6,900	7,500	6,900	(600)	0
DD	General Expenses	44,141	40,610	87,363	91,713	47,572	51,103
DE	Contractual Services	250,000	2,625,000	1,354,119	269,119	19,119	(2,355,881)
	Total OTPS	301,641	2,672,510	1,448,982	367,732	66,091	(2,304,778)
	<b>Grand Total</b>	<b>\$2,879,954</b>	<b>\$5,477,801</b>	<b>\$4,725,746</b>	<b>\$3,382,496</b>	<b>\$502,542</b>	<b>(\$2,095,305)</b>

The proposed FY 07 budget for OMB is an increase of \$502,542, or 17.4%, over the FY 06 Adopted Budget. Of this amount, the salaries line, increasing by 16.9%, makes up \$436,451, and OTPS, increasing by 21.9%, makes up \$66,091.

Salaries for OMB are projected to be 8.8% over budget in FY 06. For the first six months of the year full-time staffing was over the budgeted headcount. Five full-time positions will be added in FY 07. The general expenses budget is increasing by \$47,572 to \$91,713. This increase is largely due to the annual support costs for pbViews (performance measurement software), and for membership in the International City/County Management Association (ICMA) and its survey services. The remaining portion represents education, training and office supplies. A deficit is projected for FY 06 contractual services (DE) due to the continued contract with Manatt, Phelps and Phillips. The FY 07 contractual services budget of \$269,119 will largely be used for a contract with Public Financial Management Inc. (PFM) for work involving the County’s debt service. A variance of \$1.1 million occurs between the FY 07 proposed budget and FY 07 department request. This is due to the removal of the requested funding for the Manatt, Phelps and Phillips contract.

For FY 07 OMB has presented its budget in one control center, Office of Management and Budget, eliminating the Fiscal Analysis control center which had been used to separately account for the expenditures of County Stat operations.

<b>Staffing Analysis</b>						
	<b>FY 06 Adopted</b>	<b>Sept-06 Actual</b>	<b>FY 07 Request</b>	<b>FY 07 Executive</b>	<b>Exec. vs 06 Adopt</b>	<b>Exec. vs Actual</b>
Full-time Staffing	33	33	41	38	5	5
Part-time and Seasonal	1	1	1	1	0	0

The FY 07 budgeted headcount for OMB is increasing by five full-time positions. During FY 06 the grants department was transferred into OMB from the County Executive’s office. This adjustment added three out of the five new positions: Director of Grants Management, Deputy Director of Grants Management and Special Assistant. In its departmental request, OMB had asked for five additional positions which were not granted: three Operations Analysts, one Senior Budget Examiner and one Deputy Director of the Budget.

<b>Historical Revenue</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Rents & Recoveries	\$80	\$55,144	\$24,802	\$0	\$0	0.0%
Cap Backcharges	0	0	0	0	35,125	0.0%
<b>Total</b>	<b>\$80</b>	<b>\$55,144</b>	<b>\$24,802</b>	<b>\$0</b>	<b>\$35,125</b>	<b>0.0%</b>

The chart above shows revenues realized by the OMB since FY 03, with a projected amount for FY 06. Historically OMB has not received revenues on a consistent basis. Rents & Recoveries revenue is derived from the disencumbering of prior year contracts.

**Revenue Options - \$1,292,155**

The FY 07 Executive budget includes \$1.3 million of revenues related to proposed increases on fee rates. Another component of this initiative is for the Administration to obtain legislative approval to allow for many of these same fees to be raised every two years by the CPI without having to come back to the Legislature. On October 11 legislation approving the fee increases, including the CPI two-year adjustment, was voted down by the Government Services Committee. The department’s affected and the amounts included in the FY 07 budget are as follows:

County Attorney	\$6,350	} <b>Automatic 2-Year CPI Increase</b>
Consumer Affairs	192,200	
Fire Commission	364,325	
Police	187,200	
Public Works	83,542	
Treasury	21,908	
Sub-Total	<u>855,525</u>	
Civil Service	96,000	
<b>Total Fee Increases</b>	<b>\$951,525</b>	

Another ordinance, dealing with increased fees for Planning Department services, was tabled. The value of the new fees proposed is \$200,000.

**Grant Funds Reimbursement Initiative - \$800,000**

The **grant funds reimbursement initiative** will attempt to maximize reimbursable costs obtained through various grants. Previously, the County did not capture the value of potentially reimbursable indirect, direct and fringe costs because the reimbursement process was not monitored. In FY 07, the Office of Management and Budget plans to begin monitoring budget submittals in order to identify costs that will be reimbursable and obtain grant funds for such costs. As a result the Administration hopes to realize \$800,000 in inter-fund revenue in 2007 and \$1.3 million in each subsequent year of the plan. During the FY 07 budget process OMB formally requested for the first time that the County agencies identify costs that would be reimbursable from the Grant Fund. According to the OMB the FY 07 initiative is based on these identified costs. It indicated that Health, Drug & Alcohol, Mental Health, Senior Citizens and Housing & Intergovernmental Affairs agencies should benefit the most from initiative.

REVENUE BUDGET						
Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BI Cap Backcharges	\$0	\$0	\$0	\$35,125	\$35,125	\$35,125

A line for capital backcharges has been added to OMB's FY 07 budget. This revenue represents departmental expenses of labor, fringes and administrative overhead being charged back to appropriate projects within the County's Capital Fund. The expense being charged back relates to OMB staff involvement with a Traffic and Parking Violations Agency capital project.

**Out-Year Initiatives**

NAME	FY 2008	FY 2009	FY 2010
Risk Management	\$522,800	\$522,800	\$522,800
Capital Project Sponsor Expenses	\$1,008,810	\$500,000	\$250,000
Contractual Services Review	\$1,000,000	\$1,000,000	\$1,000,000
Revenue Options	\$1,840,254	\$3,431,383	\$3,433,096
Grants Funds Reimbursements	\$1,300,000	\$1,300,000	\$1,300,000

The **Risk Management** initiative was discussed earlier. The out-year benefit is expected to increase to \$522,800 annually from FY 08 to FY 10.

The **capital project sponsor expenses** initiative was discussed earlier. The out-year benefit from this initiative reduces with each year.

The Office of Management and Budget plans to implement the **contractual service review initiative** with the hopes of realizing a savings of \$1.0 million for fiscal years 2008 through 2010. The Office expects to realize savings through consolidation and more effective management and compliance of contracts. It anticipates a 2.5% reduction of non-HHS contractual services which would result in the \$1.0 million annual savings. However the Administration did not provide any information to quantify the savings.

The **revenue options initiative**, previously discussed, continues into the out-years of the Multi-Year Plan as the bi-annual CPI increases, calculated at 3.5%, are factored in. Also included in each annual total shown in the chart above is “the estimated amount of additional revenues from future revenue initiatives, review of existing processes for rental of county property, the establishment of Accounts Receivable and more timely collections in years 2008-2010.” Since \$1.3 million has already been included in the baseline, the additional annual revenue in each year would be as follows: \$548,210 in FY 08, \$1.6 million in FY 09, and \$1,713 in FY 10. All of this revenue would have to be considered at risk because the Legislature has already voted against the fee and CPI increases.

**Grants funds reimbursement**, previously discussed, continues into the out-years of the Multi-Year Plan. In addition to the \$800,000 in FY 07, the Administration anticipates additional reimbursements in the amount of \$500,000 starting in FY 08, which would also be reflected in the remaining years of the plan.

### **Gap Closing Option**

The Administration has proposed a **residential energy tax** as an option to close a portion of the remaining out-year gaps. The assumptions for deriving the revenue are based on Suffolk County’s residential energy tax. Starting with Suffolk’s housing energy cost per unit of \$2,413 and applying this to Nassau County’s 2005 estimate of 458,011 housing units results in a tax base of \$1,105,021,473. The tax base has been inflated in the out-years by 8% annually, the 2001-2005 New York Metro CPI rate for energy costs.

To achieve the revenues of \$46.1 million in 2008, \$57.0 million in 2009, and \$58.8 million in 2010 the County will need to implement a tax rate of 3.31% in 2008, 3.79% in 2009 and 3.62% in 2010. In November 2005, Suffolk lowered its energy tax from 2.5% to 1.5%. If the County decides to implement a tax rate of 1.5% or 2.5%, similar to Suffolk County, the revenue generated will fall short of the estimates provided in the Multi-Year Plan.

**MEDICAL EXAMINER**

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

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	49	49	54	52	55	5.8%
Salaries	\$4,162,492	\$4,403,929	\$4,779,865	\$4,786,062	\$5,264,006	10.0%
Misc OTPS	360,894	281,678	270,901	467,424	677,032	44.8%
Contractual Services	171,005	354,528	228,580	206,682	63,900	-69.1%
<b>Total</b>	<b>\$4,694,391</b>	<b>\$5,040,135</b>	<b>\$5,279,346</b>	<b>\$5,460,168</b>	<b>\$6,004,938</b>	<b>10.0%</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> of each year 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 but is actually consistent with the provisions of the lease.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$5,018,165	\$4,786,062	\$5,360,635	\$5,264,006	\$245,841	\$477,944
BB	Equipment	51,000	46,920	46,920	46,920	(4,080)	0
DD	General Expenses	457,070	420,504	630,112	630,112	173,042	209,608
DE	Contractual Services	206,682	206,682	63,900	63,900	(142,782)	(142,782)
	<b>Total OTPS</b>	<b>714,752</b>	<b>674,106</b>	<b>740,932</b>	<b>740,932</b>	<b>26,180</b>	<b>66,826</b>
	<b>Grand Total</b>	<b>\$5,732,917</b>	<b>\$5,460,168</b>	<b>\$6,101,567</b>	<b>\$6,004,938</b>	<b>\$272,021</b>	<b>\$544,770</b>

Salaries in 2007 are increasing by \$245,841, or 4.9%, over salaries in the 2006 Adopted Budget and by 10%, or \$477,944, over 2006 projections as a result of CSEA steps and COLAs. September headcount was down by three positions from the 55 that were budgeted in 2006. The department is in the process of canvassing a list of candidates to fill the Forensic Histo-Technologist I position which became vacant during the summer. There appears to be sufficient funding for salary expense in 2007. OTPS expense is

increasing \$26,180 or 3.7%, over the 2006 budget and almost 10 % when compared to 2006's projections. The reduction in contractual services reflects the change in the way maintenance and service agreement expense is posted. Currently they are posted in contractual services but beginning in 2007 they will be part of general expense. The contractual service line will only contain personal service agreements that the department has with various outside pathologists.

The majority of the Medical Examiner's expense is in the DNA Lab which is funded by grants from the Department of Criminal Justice. The Medical Examiner's Office receives several thousand dollars in grants, which are reflected in the County's Grant Fund. However, the funding is insufficient to cover all materials and supplies so the General Fund expense varies slightly by year based on the amount of the grants. This is reflected in the \$173,042 increase in general expenses, which includes medical supplies, equipment maintenance and miscellaneous supplies.

Additionally, this is the first year the department is paying 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, an unexpected expense of \$15,000 for compressor repair in May, that the department is considering making it a capital expense in the future.

<b>Medical Examiner Staffing Analysis</b>						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual.</u>
Full-time Staffing	55	52	58	55	0	3
Part-time and Seasonal	5	6	5	5	0	(1)

The number of budgeted full-time positions will remain flat with 2006 budgeted positions but will increase by three compared to September actuals. According to the department, there is an error in coding which results in a variance of one in both full-time and part-time positions. Instead of 55 full-time and five part-timer workers in the Adopted FY 06 budget, it should be 54 full-time and six part-timers. The same is true for the FY 07 Executive budget.

<b>Historical Revenue</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Rents & Recoveries	\$17,574	\$6,373	\$17,513	\$13,413	\$0	-100.0%
Departmental Revenue	16,515	13,674	16,426	20,000	20,000	0.0%
State Aid	1,755,854	1,658,960	1,674,703	1,525,826	1,525,826	
<b>Total</b>	<b>\$1,789,943</b>	<b>\$1,679,007</b>	<b>\$1,708,642</b>	<b>\$1,559,239</b>	<b>\$1,545,826</b>	<b>-0.9%</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.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06Proj.</b>
BF Rents & Recoveries	\$0	\$13,413	\$0	\$0	0	(\$13,413)
BH Department Revenues	20,000	17,000	20,000	20,000	0	3,000
SA State Aid - Reimbursable	1,525,826	1,525,826	1,525,826	1,525,826	0	0
<b>Grand Total</b>	<b>\$1,545,826</b>	<b>\$1,556,239</b>	<b>\$1,545,826</b>	<b>\$1,545,826</b>	<b>\$0</b>	<b>(\$10,413)</b>

Departmental revenue is remaining stable when compared to the 2006 budget. The decline of less than 0.1% from FY 06’s projection is due to the unbudgeted \$13,000 in rents and recoveries. These are disencumbered prior year contracts with doctors and dentists that were not utilized. State aid will remain flat with that of 2006. 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.

**DEPARTMENT OF MENTAL HEALTH, CHEMICAL  
DEPENDENCY AND DEVELOPMENTAL DISABILITIES  
SERVICES**

The establishment of a new Department of Mental Health, Chemical Dependency and Developmental Disabilities Services incorporating the functions of the Department of Mental Health and Drug and Alcohol Addiction is 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 presently served by both departments. It will create two divisions within the new department, one division called the Division of Mental Health and Developmental Disabilities Services, which will perform functions now associated with the Department of Mental Health and one division called the Division of Chemical Dependency Services, which will perform functions presently 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 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 is projecting an early 2007 opening for the unit.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs. Request</b>	
10 Administration	\$6,741,976	\$3,454,536	\$7,317,271	\$575,295	\$3,862,735	
20 Contractual Services	6,135,498	11,115,312	11,315,312	5,179,814	200,000	
30 Direct Services	258,188	5,831,651	6,104,070	5,845,882	272,419	
40 Chemical Dependency Svcs	10,936,372	0	0	(10,936,372)	0	
<b>Total</b>	<b>\$24,072,034</b>	<b>\$20,401,499</b>	<b>\$24,736,653</b>	<b>\$664,619</b>	<b>\$4,335,154</b>	

## MENTAL HEALTH/ CHEMICAL DEPENDENCY

Although it appears in the chart above the FY 07 budget for Administration is increasing by \$575,295 and growing by \$5.2 million and \$5.8 million in contractual services and direct services respectively that is not the case. The variances are a reflection of merging chemical dependency services into contractual services and direct services. The budget was reallocated based on a new budget structure which divides the department into three control centers, Administration, Contractual Services and Direct Services. Within each of these control centers, the Department's various disability groups have been broken down into different responsibility centers. Salary expense has been reallocated based on Department needs between administration and direct services. All program funding has been budgeted in contractual services.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	49	110	102	79	91	15.2%
Salaries	\$3,566,740	\$6,462,626	\$6,733,497	\$5,601,145	\$6,657,365	18.9%
Misc OTPS	997,434	1,348,146	309,461	629,772	907,048	44.0%
Contractual Services	12,425,662	11,048,617	11,717,335	14,849,040	13,124,899	-11.6%
Other Expenses	86,679,745	90,334,129	0	0	0	0.0%
Direct Assistance	0	0	106,717,990	0	0	0.0%
<b>Total</b>	<b>\$103,669,581</b>	<b>\$109,193,518</b>	<b>\$125,478,283</b>	<b>\$21,079,957</b>	<b>\$20,689,312</b>	<b>-1.9%</b>

As the table above indicates headcount and salaries have been historically linked. As headcount increases, so do salaries. The dramatic growth in salaries and headcount in FY 04 is a result of the transfer of grant employees, whose salaries were less than 100% reimbursable. The elimination of Direct Assistance, which was Pre-School education costs, in FY 06 and FY 07 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 FY03 and FY 04, direct assistance came under other expenses.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$6,138,139	\$5,601,145	\$6,554,552	\$6,657,365	\$519,226	\$1,056,220
BB	Equipment	1,531	1,000	1,409	1,409	(122)	409
DD	General Expenses	900,839	628,772	920,639	905,639	4,800	276,867
DE	Contractual Services	14,540,620	14,849,040	12,924,899	13,124,899	(1,415,721)	(1,724,141)
	<b>Total OTPS</b>	<b>15,442,990</b>	<b>15,478,812</b>	<b>13,846,947</b>	<b>14,031,947</b>	<b>(1,411,043)</b>	<b>(1,446,865)</b>
HF	Inter-Dept. Charges	2,490,905	2,490,905	0	4,047,341	1,556,436	1,556,436
	<b>Grand Total</b>	<b>\$24,072,034</b>	<b>\$23,570,862</b>	<b>\$20,401,499</b>	<b>\$24,736,653</b>	<b>\$664,619</b>	<b>\$1,165,791</b>

Salaries are increasing by about \$500,000 from \$6.1 million in FY 06 to \$6.7 million in FY 07. The growth in salaries is a result of merging the Mental Health Department and the Department of Drug and Alcohol Addiction and restructuring of control centers. As a part of the restructuring process four full-time positions were eliminated for a loss in salaries of \$266,813. Five full-time positions and one part-time position, from the Correctional Center’s Drug and Alcohol Rehabilitation and Treatment (DART) program were transferred, and one new mental health coordinator position was added. Factoring in terminal leave, promotions and COLAs, the cost for these additional positions is \$748,914. The salary difference between the deleted and extra positions is \$519,226. The salary budget should be sufficient for 2007.

The 2007 OTPS budget, excluding inter-departmental charges, is decreasing by \$1.4 million due to the reduction in contractual services. As previously mentioned, as a result of the department’s restructuring control center 40, chemical dependency services, was collapsed into contractual services and direct services. According to the department, there are no cuts planned for chemical dependency services in 2007. The \$1.4 million reduction is a result of adjustments of \$600,000 and \$400,000 in non-recurring expenses in Mental Health and Drug and Alcohol, \$77,000 in mental health training funds, \$508,721 in Persons in Need of Supervision (PINS) now being funded by the Department of Social Services, and \$30,000 in rent for NUMC. The \$1.0 million in non-recurring funds were 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 due to prior program reductions. The contractual services charts on the following pages show how these monies are disbursed.

Also, \$200,000 is being added to the budget for the establishment of the mental hygiene court program. This is a specialized court for individuals who are mentally ill and are currently facing charges in the criminal justice system. The court will try to place individuals in treatment programs as an alternative to incarceration, thereby providing a more appropriate level of care to the individuals who appear before the court.

In 2007 \$772,000 is budgeted in general expenses for remands for State facilities. The department expects a similar caseload of court remands in 2007 as it has had in 2006 so the proposed budget for

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court remands remains consistent with that of the current year. Typically when a client is remanded to a State facility it is more costly, since remands to State facilities require longer stays than remands of clients being sent to NUMC. However, the department estimates that there will be unspent money in 2006 for New York State court remands. The \$277,000 variance between the 2007 proposed and the September projected is due to the inability of the Family Court to place children at the Sagamore Psychiatric Center because of a shortage of beds. Another reason for the surplus in 2006 could be that fewer children are being remanded for inpatient treatment as a result of the PINS diversion 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 2007 in contractual services for remands to NUMC. The department will continue to maintain a full-time grant funded clinical psychologist at Family Court in 2007 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 pages 112 and 113. The 2007 provider contracts Drug & Alcohol chart shows \$398,727 in 2007 recurring contracts. That is the same amount that the Legislature had added in 2006 for one time adjustments to the not-for-profit agencies for improvements to their infrastructure due to prior program reductions. The non-recurring monies are not shown in this chart.

<b>Department of Behavioral Health and Developmental Disabilities Services</b>						
<b>Staffing Analysis</b>						
	<b>FY 06</b>	<b>Sept-06</b>	<b>FY 07</b>	<b>FY 07</b>	<b>Exec. vs</b>	<b>Exec. vs</b>
	<b><u>Adopted</u></b>	<b><u>Actual</u></b>	<b><u>Request</u></b>	<b><u>Executive</u></b>	<b><u>06 Adopt</u></b>	<b><u>Actual</u></b>
<b>CC Full-time Staffing</b>						
10 Administration	32	29	41	39	7	10
30 Direct Services	1	0	47	52	51	52
40 Chemical Dependency Svcs	56	50	0	0	(56)	(50)
<b>Total Full-time</b>	<b><u>89</u></b>	<b><u>79</u></b>	<b><u>88</u></b>	<b><u>91</u></b>	<b><u>2</u></b>	<b><u>12</u></b>
<b>CC Part-time and Seasonal</b>						
30 Direct Services	0	0	2	3	3	3
40 Chemical Dependency Svcs	2	2	0	0	(2)	(2)
<b>Total Part-time and Seasonal</b>	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>1</u></b>	<b><u>1</u></b>

The 2007 budget is two positions more than the 2006 budget but 12 positions above September actuals. The merging of departments has made it possible to eliminate four full-time positions in 2007. They are as follows: Commissioner, Community Relations Assistant, Community Liaison Specialist and Clerk Typist I. In order to improve coordination of Chemical Dependency Services offered at the Correctional Center, the Department has transferred one part-time and six full-time employees from the DART

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program at the Correctional Center into Behavioral Health Services. Additionally, a new Mental Hygiene Court Coordinator position has been created and added to the staff. The objective of this move is to increase efficiency of programming so that more inmates in need will be reached with assessment, screening, case management and discharge services.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$2,374,268	\$2,228,572	\$11,310,719	\$245,789	\$15,000	-93.9%
Departmental Revenue	3,195,900	2,029,178	1,002,840	135,840	300,000	120.8%
Interdept/Interfund Chgs	1,616,716	2,458,576	2,113,526	1,597,115	1,606,334	0.6%
State Aid	52,841,989	56,121,979	65,644,014	6,889,134	7,200,455	4.5%
<b>Total</b>	<b>\$60,028,873</b>	<b>\$62,838,305</b>	<b>\$80,071,099</b>	<b>\$8,867,878</b>	<b>\$9,121,789</b>	<b>2.9%</b>

The Behavioral Services budget has 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 is now 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 more numerous services. The 2005 spike in rents & recoveries is a reflection of disencumbrances from prior year encumbrances related to the preschool special education. The projected \$245,789 for 2006 in rents & recoveries includes disencumbrances for old preschool encumbrances. They have since been closed.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>	
BF Rents & Recoveries	\$15,000	\$245,789	\$15,000	\$15,000	\$0	(\$230,789)	
BH Department Revenues	327,840	135,840	292,463	300,000	(27,840)	164,160	
BJ Interdepartmental Revenues	1,258,696	1,597,115	0	1,031,334	(227,362)	(565,781)	
BW Interfund Charges	0	0	0	575,000	575,000	575,000	
SA State Aid - Reimb. Exp.	6,949,134	6,889,134	7,183,822	7,200,455	251,321	311,321	
<b>Total</b>	<b>\$8,550,670</b>	<b>\$8,867,878</b>	<b>\$7,491,285</b>	<b>\$9,121,789</b>	<b>\$571,119</b>	<b>\$253,911</b>	

The Executive 2007 revenue budget has been increased by \$571,119 or 7%, from the 2006 amount due to interfund charges and state aid growth. The \$575,000 includes chargebacks for the department's Employee Assistance Program (EAP). Departmental revenues is budgeted for \$300,000 in 2007 for Medicaid receipts.

State Aid is increasing by approximately \$251,000 or 4% to \$7.2 million in 2006. The department receives reimbursement from New York State's Office of Alcoholism and Substance Abuse Services for

support of chemical dependency prevention and treatment services. Each year the Governor and the New York State Assembly and Senate develop a budget which determines how New York State Aid tax dollars will be spent. The Department of Drug and Alcohol Addiction, as the State's local designated agency (LDA) for Nassau County, receives State Aid for the purpose of providing chemical dependency services to its residents and their families.

The department receives the following Drug and Alcohol reimbursement: Courts Services receive 66% reimbursement; TIPS/Case management receives 29%; DWI receives 0%, WAGES receives 47% and STEP at 0%. 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. The state aid reimbursement rate for Mental Health is 50%.

**MENTAL HEALTH/ CHEMICAL DEPENDENCY**

<b>Mental Health Funding</b>				
<b><u>2006 Contractual Services vs. 2007 Budget</u></b>				
	<b><u>2006 Adopted</u></b>	<b><u>2006 Anticipated</u></b>	<b><u>2006 Non</u></b>	<b><u>2007 Dept.</u></b>
	<b><u>Budget</u></b>	<b><u>Expenditures</u></b>	<b><u>Recurring Funds</u></b>	<b><u>Budget</u></b>
<b><u>Administration &amp; Court Remands</u></b>				
Rent - NUMC	30,000	-	-	-
Ambulance Charges - NUMC	40,000	20,000	-	40,000
Mental Health Court	200,000	200,000	-	200,000
Training	190,487	113,487	-	113,487
Court Remands NUMC	1,231,000	1,231,000	-	1,231,000
<b>Total Administration &amp; Court Remands</b>	<b>1,691,487</b>	<b>1,564,487</b>	<b>-</b>	<b>1,584,487</b>
<b><u>Mental Health Local Assistance</u></b>				
Angelo J. Melillo Center for Mental Health	67,542	67,542	28,405	39,137
Central Nassau Guidance Center	97,322	97,322	34,150	63,172
Family & Children Association	105,248	105,248	32,124	73,124
Federation Employment & Guidance Services	89,250	89,250	23,750	65,500
Hispanic Counseling Center	69,847	69,847	20,000	49,847
Long Beach Memorial Hospital	24,600	24,600	24,600	-
Mental Health Association of Nassau County	517,500	517,500	160,500	357,000
Mental Hygiene Court - Clinic	-	-	-	200,000
Mercy Medical Center	25,000	25,000	25,000	-
Nassau Health Care Corporation	838,895	838,895	-	838,895
Nassau Health Care Corporation - NCCC	819,000	819,000	-	819,000
North Shore Child & Family Guidance Center	903,454	903,454	25,000	878,454
North Shore - LIJ Hospital	2,800	2,800	2,800	-
Peninsula Counseling Center	86,769	86,769	23,815	62,954
Sara Center	49,000	49,000	49,000	-
South Nassau Communities Hospital	16,500	16,500	16,500	-
South Shore Assoc. for Independent Living	59,575	59,575	59,575	-
South Shore Child Guidance Center	44,517	44,517	17,000	27,517
Southeast Nassau Guidance Center	61,506	61,506	23,276	38,230
St. Anthony's Guidance Center	78,629	78,629	28,169	50,460
The Rehabilitation Institute	100,000	100,000	-	100,000
Woodward Mental Health Center	6,336	6,336	6,336	-
<b>Total Mental Health Local Assistance</b>	<b>4,063,290</b>	<b>4,063,290</b>	<b>600,000</b>	<b>3,663,290</b>
<b><u>Mental Retardation &amp; D.D. Local Assistance</u></b>				
Assoc. for Children with Learning Disabilities	29,000	29,000	-	29,000
Assoc. for the Help of Retarded Children	619,000	619,000	-	619,000
Epilepsy Foundation of Nassau County	264,000	264,000	-	264,000
Kulanu	24,500	24,500	-	24,500
Lifetech	24,500	24,500	-	24,500
United Cerebral Palsy of Assoc. of N.C.	412,000	412,000	-	412,000
<b>Total Mental Retardation &amp; DD Local Assistance</b>	<b>1,373,000</b>	<b>1,373,000</b>	<b>-</b>	<b>1,373,000</b>
<b><u>PINS</u></b>				
<b><u>Juvenile Placement Program - JP3/PIINS</u></b>				
Long Island Advocacy	10,000	10,000	-	-
Mental Health Association of Nassau County	93,775	93,775	-	-
North Shore Child & Family Guidance Center	404,946	743,365	-	-
<b>Total PINS*</b>	<b>508,721</b>	<b>847,140</b>	<b>-</b>	<b>-</b>
<b><u>Forensic Services</u></b>				
Allen Reichman, MD	115,800	115,800	-	115,800
Anthony Santoro, PhD	49,140	49,140	-	49,140
TBA	60,160	60,160	-	60,160
<b>Total Forensic Services</b>	<b>225,100</b>	<b>225,100</b>	<b>-</b>	<b>225,100</b>
<b>Total Contractual Services Mental Health</b>	<b>7,861,598</b>	<b>8,073,017</b>	<b>600,000</b>	<b>6,845,877</b>

**MENTAL HEALTH/ CHEMICAL DEPENDENCY**

<b>Drug and Alcohol Addiction 2007 Provider Contracts</b>				
<b>Agency Name</b>	<b>2006 Contract</b>	<b>2007 Contract Base</b>	<b>2007 Contract Recurring</b>	<b>2007 Contract Proposed Total</b>
Angelo J. Melillo	\$310,323	\$360,800	\$7,692	\$368,492
Baldwin Council Against Drug Abuse	\$4,167	\$0	\$4,167	\$4,167
Central Nassau Guidance Center	\$11,859	\$0	\$11,859	\$11,859
Coalition Against Child Abuse & Neglect	\$111,430	\$111,430	\$0	\$111,430
Community Counseling of W. Nassau	\$242,217	\$238,050	\$4,167	\$242,217
Confide	\$4,167	\$0	\$4,167	\$4,167
Copay	\$12,500	\$0	\$12,500	\$12,500
Counseling Services of EDNY	\$8,333	\$0	\$8,333	\$8,333
EAC, Inc.	\$7,692	\$0	\$7,692	\$7,692
Family and Children's Association	\$1,235,028	\$1,231,025	\$45,193	\$1,276,218
Five Towns Community Center	\$11,859	\$0	\$11,859	\$11,859
Freeport Pride	\$28,526	\$0	\$28,526	\$28,526
Friends of Bridge	\$20,194	\$0	\$20,194	\$20,194
Hispanic Counseling	\$244,319	\$240,152	\$4,167	\$244,319
LI Crisis Center	\$46,706	\$35,030	\$0	\$35,030
LIJ Medical Center	\$125,641	\$85,256	\$40,385	\$125,641
Long Beach Medical Center	\$457,109	\$394,224	\$8,333	\$402,557
Long Beach REACH	\$27,439	\$7,245	\$20,194	\$27,439
Mental Health Association	\$275,000	\$180,000	\$0	\$180,000
Mercy Hospital Center	\$343,883	\$456,568	\$31,411	\$487,979
North Shore Child and Family Guidance	\$293,333	\$285,000	\$8,333	\$293,333
NSUH - Glen Cove	\$24,359	\$0	\$24,359	\$24,359
NSUH - Manhasset	\$4,167	\$0	\$4,167	\$4,167
Oceanside Counseling	\$4,167	\$0	\$4,167	\$4,167
Peninsula Counseling	\$348,845	\$370,035	\$12,500	\$382,535
Plainview Old Bethpage	\$12,500	\$0	\$12,500	\$12,500
Port Counseling	\$4,167	\$0	\$4,167	\$4,167
REACT	\$610,251	\$559,140	\$20,194	\$579,334
SNG	\$260,947	\$244,280	\$16,667	\$260,947
South Shore Child Guidance	\$361,172	\$342,839	\$8,333	\$351,172
Youth and Family Counseling	\$4,167	\$0	\$4,167	\$4,167
Youth Environmental Services	\$4,167	\$0	\$4,167	\$4,167
Yours Ours Mine	\$75,000	\$150,000	\$0	\$150,000
Residential Services (reestablishment)	\$500,000	\$350,000	\$0	\$350,000
Project Challenge	\$15,000	\$15,000	\$0	\$15,000
Tempo Group	\$72,233	\$68,066	\$4,167	\$72,233
Freeport UFSD	\$11,875	\$11,875	\$0	\$11,875
North Shore CSD	\$11,875	\$11,875	\$0	\$11,875
Plainedge UFSD	\$11,875	\$11,875	\$0	\$11,875
St. Edwards School	\$16,992	\$16,992	\$0	\$16,992
Wantagh UFSD	\$11,875	\$11,875	\$0	\$11,875
Glen Cove CSD	\$26,125	\$26,125	\$0	\$26,125
Lynbrook UFSD	\$15,794	\$15,794	\$0	\$15,794
Bellmore-Merrick CSD	\$16,577	\$16,577	\$0	\$16,577
Levittown UFSD	\$14,079	\$14,079	\$0	\$14,079
Valley Stream UFSD	\$19,088	\$19,088	\$0	\$19,088
<b>Total</b>	<b>\$6,279,022</b>	<b>\$5,880,295</b>	<b>\$398,727</b>	<b>\$6,279,022</b>

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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	5	6	11	10	10	0.0%
Salaries	\$359,599	\$458,817	\$706,177	\$661,712	\$659,684	-0.3%
Misc OTPS	2,784	5,102	30,564	72,000	46,088	-36.0%
Contractual Services	(14,903)		24,000	166,147	206,682	24.4%
<b>Total</b>	<b>\$347,480</b>	<b>\$463,918</b>	<b>\$760,742</b>	<b>\$899,859</b>	<b>\$912,454</b>	<b>1.4%</b>

Expenses have risen from 2003 through 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. Contractual services were utilized in 2005 and 2006 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 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$687,676	\$661,712	\$676,351	\$659,684	(\$27,992)	(\$2,028)
DD	General Expenses	54,443	72,000	46,088	46,088	(8,355)	(25,912)
DE	Contractual Services	206,682	166,147	206,682	206,682	0	40,535
	<b>Total OTPS</b>	<b>261,125</b>	<b>238,147</b>	<b>252,770</b>	<b>252,770</b>	<b>(8,355)</b>	<b>14,623</b>
	<b>Grand Total</b>	<b>\$948,801</b>	<b>\$899,859</b>	<b>\$929,121</b>	<b>\$912,454</b>	<b>(\$36,347)</b>	<b>\$12,595</b>

Total FY 07 budgeted funds are decreasing by \$36,347 from the FY 06 budget and increasing by \$12,595 from the 2006 projected actual. The decrease in the budget from the prior year's budget is primarily due to the FY 07 salaries account which is decreasing by \$27,992. The reduction results from the elimination of a vacant position. The budget is insufficient to cover the current salaries and health insurance buyback expense. Even without salary increases, the department will be short about \$5,000 for salaries if it maintains its current headcount.

The general expense account has been allocated \$46,088 for FY 07, a reduction of 15.3% from the prior year. These funds will be used by the department for office supplies, educational and training expenses and also for copying and blueprint supplies. The department also uses the funds in this account to host small business seminars to promote minority interest in owning small businesses. The projected actual in 2006 is over budget due to the costs associated with the Rosa Parks memorial. Budgeted funds (\$24,000) have been transferred from contractual services into general expenses to cover this. The modified budget in general expenses and contractual services is currently \$74,088 and \$182,682 respectively.

Contractual services has been allocated \$206,682 in the proposed budget, which is equal to the 2006 budget and an increase from the 2006 projected by \$40,535. The Department has just begun to put together contracts related to an RFP for the following five services:

- Certification, investigation and reporting
- Entrepreneurial training
- Business technical assistance
- Analysis of current themes, messages and strategies that support the existing M/WBE program
- Market research activities.

All or these services are expected to assist the Office in achieving the goals of the M/WBE program per Local Law 14 – 2002 which states “Whereas, the County Legislature finds that there is a lack of meaningful participation of minority owned businesses and women owned businesses in contracts with the County of Nassau, and that the County must take the lead to encourage that minority owned businesses and women owned businesses participate in contracts with Nassau County.” The total of these five services are expected to cost about \$160,000. The largest is the certification piece for \$86,000. It is expected that the selected company will perform all certifications including the site visits. Considering this task would require several people if done in the department, this appears to be a good investment if the job is performed satisfactorily. Although these services were budgeted for in 2005 and 2006, there were delays due to modifications of the rating scale of the proposals. It is anticipated that some of the money for these contracts will be utilized in 2006 with the rest being encumbered for next year. Additional money is budgeted for these contracts in 2007 in anticipation of the renewal of these contracts toward the end of 2007. In 2007 funds are also earmarked for small business training seminars and a mentoring program. In 2006, the projection also includes the cost of public service announcements made to advertise the M/WBE program.

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 07 budget and it is unclear at this point if the expenditure has been planned for in any other department. Although some effort has been made to perform this task in-house, to date

no system has been developed that can satisfactorily capture the data necessary to measure the effectiveness of the M/WBE program or even the extent of the disparities in Nassau County.

<b>Minority Affairs Staffing Analysis</b>						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	11	10	10	10	(1)	0

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

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

Expense and revenue allocations in the Miscellaneous Budget are divided among nine cost centers including 1) Contractual Agencies, 2) Resident Tuition, 3) Miscellaneous Fringe Benefits, 4) Local Government Assistance, 5) Interfund Transfers, 6) Nassau Health Care Corp., 7) NCIFA Expenditures 8) Unallocated Initiatives and 9) Other.

The FY 07 Miscellaneous expense budget of \$132.2 million presents a decrease of 1.6% from FY 06 levels. The differential of \$2.2 million is primarily the result of increases in 1) Local Government Assistance, due to rising sales tax collections, 2) contractual agencies, 3) inter-departmental charges, and 4) Nassau Health Care Corp. expenses. These increases are offset by 1) decreased costs associated with the Transitchek plan, 2) declining interfund transfers and 3) the elimination of the \$5.0 million contingency “reserve” fund from FY 06. The 0.25% tax collected on behalf of the towns and cities is paid out of the Miscellaneous budget, which represents 1/17 of the County’s sales tax collections and is paid on a per capita basis. In addition, \$1,250,000 has been budgeted in FY 07 for distribution to the villages, up from \$1,000,000 in FY 06. An itemization and discussion of these and all the other control centers follow.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>					
<b>Control Center</b>	<b>Adopted FY 06 Budget</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. Vs. Adopted 06</b>	<b>Variance Exec. Vs. Request</b>
20 Contractual Agencies	\$9,645,194	\$9,646,656	\$9,646,656	\$1,462	\$0
40 Resident Tuition	5,645,464	5,815,832	5,815,832	170,368	0
60 Other	5,080,409	877,508	10,695,755	5,615,346	9,818,247
70 Misc Fringe Benefits	1,972,000	1,324,000	1,324,000	(648,000)	0
80 Local Government Assist.	59,736,041	62,046,922	62,046,922	2,310,881	0
90 Interfund Transfers	5,000,000	0	0	(5,000,000)	0
91 Nassau Health Care Corp	38,059,077	39,282,556	39,282,556	1,223,479	0
92 NCIFA Expenditures	1,450,000	1,300,000	1,300,000	(150,000)	0
93 Unallocated Initiatives	7,750,000	0	2,068,739	(5,681,261)	2,068,739
<b>Total</b>	<b>\$134,338,185</b>	<b>\$120,293,474</b>	<b>\$132,180,460</b>	<b>(\$2,157,725)</b>	<b>\$11,886,986</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. These agencies include the Legal Aid Society and the Assigned Counsel Defender Plan for a total of \$9.6 million for indigent criminal defense. In FY 07, the funding in this control center is increasing marginally, by 0.02% from the adopted FY 06 level. The increase is due to an additional \$14,000 in the Public Defenders line and \$144,831 for the Legal Aid Society. The Legal Aid Society is the primary supplier of constitutionally mandated legal services to indigent individuals charged with crimes in Nassau County as well as serving a substantial number of

mandated cases in Nassau Family court, and mandated cases on appeal to various appellate courts. Funding for the Cooperative Extension of Nassau County has been eliminated in this year's proposed budget. In 2006, approximately \$350,000 was expensed through the Health Department, and \$157,315 subsidized through this control center.

The budget reflects additional revenues from the State Government for \$1.7 million for the Indigent Legal Services Fund, based on legislation enacted in 2003. This legislation required increased rates to be paid to assigned counsel providing indigent legal defense services.

**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 expense budget is approximately \$170,368 or 3% greater than budgeted in FY 06. With the exception of Nassau residents who attend FIT, the FY 07 budgeted expense for residential tuition is \$5.8 million, net of a 100% reimbursement paid from one of the County's three towns or two cities where the student resides. The County may not charge back for FIT tuition costs. The difference between the resident tuition expenses and revenues is the projected FIT payments. Historically, FIT payments have constituted 66% of total County resident tuition expenses.

On the revenue side, the FY 07 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, which approximates \$3.9 million per year. As in previous years, it is unlikely that the County will receive FIT aid from the State in 2007. The result is a \$4.1 million risk to the County.

Suffolk County instituted proceedings under the New York Education Law, for the purpose of compelling the State to reimburse Suffolk County on behalf of Suffolk students attending FIT. However, the New York Court of Appeals ruled that state regulations precluded reimbursement when there was no budget allocation. Because the opinion in the second judicial department was so strong, Suffolk County chose not to appeal. According to the Office of Nassau County Attorney, Nassau County had no standing to appeal that case, since we were not parties to the original action. Nassau County was about to challenge the state regulations in court as *ultra vires* (on the basis that the statute did not allow the budget allocation to be discretionary), but chose not to given the outcome of the Suffolk case. Going forward, Nassau County, along with Suffolk intends to lobby the State for a budget appropriation, partnered with NYSAC.

**The Other control center** is more than doubling from the adopted FY 06 budget to \$10.7 million. This cost center is comprised of \$2.3 million in other expenses, and \$8.3 million in inter-departmental charges. Other expenses includes payments to various governmental organizations, including the NYS Association of counties (NYSAC), for \$54,000, \$31,000 to the National Association of Counties (NACO) and \$15,500 for the NYS County Executives Association (NYSCEA). Also included in this center is a payment to the City of Long Beach for \$106,233, \$5,775 to the Lido-Pt. Lookout Fire District and HIPAA payments of \$25,000. These costs have remained flat from FY 06 adopted budget. The remaining \$2.1 million is attributable to other suits and damages, including \$1.5 million used to pay for claims and settlements against the County, previously budgeted in the County Attorney. Approximately 78% of the increase is due to inter-departmental charges, including building occupancy charges and

PDH charges, as well as \$1.3 million in County Attorney charges, which were not budgeted in the previous year's budget.

**The Miscellaneous Fringe Benefits control center** is where charges to the Flex Benefit Program, the TransitChek Program and offsetting revenue are recorded. When the program first started, it was anticipated that the maximum amount of County employees, about 8%, or 750 employees would participate. Instead, 44 people signed up at an average monthly expense of about \$5,500. Due to limited growth, \$74,000 is projected in 2007, a decrease of \$698,000. The TransitChek program was originally created in 2005 to encourage mass transit usage with pretax dollars to pay for a portion of commuting costs for County employees. The County diverts a portion of enrollees' payroll into the pretax account. This Program will not have an effect on the County's budget. Additionally a 4.2% increase of \$5,000 in the County's Flex Benefits plan from FY 06 accounts for the remaining variance in increased expenses.

**The Local Government Assistance Program control center** represents the local share of the sales tax revenue allocated to the County's three towns and two cities. Of the County's 4.25% sales tax, the towns and cities receive one quarter of one percent, or 1/17<sup>th</sup>. These percentages are set by law. A 3.87% growth in the FY 07 budget for local government assistance or \$2.3 million increase is due to expected growth in sales tax collections, including an additional \$250,000 allocated to the County's incorporated villages. The chart below shows the FY 06 adopted budgets and FY 07 budgets for assistance to the Nassau County towns, cities and villages. See the Executive Summary for a detailed discussion of County sales tax.

<b>LOCAL GOVERNMENT ASSISTANCE PROGRAM</b>			
	FY 06 Adopted Budget	FY 07 Exec. Budget	Variance Exec. Vs. Adopted 06
Town of Hempstead	\$33,127,127	\$34,289,464	\$1,162,337
Town of Oyster Bay	13,333,081	13,800,901	467,820
Town of North Hempstead	9,632,711	9,970,695	337,984
City of Long Beach	1,527,137	1,580,720	53,583
City of Glen Cove	1,115,985	1,155,142	39,157
Incorporated Villages	1,000,000	1,250,000	250,000
<b>Total</b>	<b>\$59,736,041</b>	<b>\$62,046,922</b>	<b>\$2,310,881</b>

**The Nassau Health Care Corporation control center** details the mandated payments made by the County to the Health Care Corporation, pursuant to the transfer agreement and the subsequent stabilization agreement. Funding of this control center has remained relatively unchanged from FY 05, decreasing by \$15,430. However, the County and the Hospital are currently engaged in talks regarding a successor agreement that could result in a change to the size of the payment in 2006. In addition, 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 probably overfunded. The 2007 budget for terminal leave is \$4.1 million, a decrease from 2006 of \$234,637. This expense is projected to be about

\$2.7 million in 2006 less a \$1.9 million credit for an over accrual made in 2005. The cost should be decreasing each year as attrition leaves fewer people working for the Corporation who were employees when the County owned the Hospital, Nursing Home and Community Health Centers.

**The Nassau County Interim Finance Authority (NIFA) Expenditures control center** is used to budget for all NIFA expenses. In FY 07 NIFA expenditures are estimated to be \$1.3 million. This line has decreased from the adopted FY 06 level by \$150,000 or 10%. The County is responsible for all of NIFA’s operating expenses and debt service charges. These expenses are paid out of County sales tax collections.

**Unallocated Initiatives control center** includes \$2.1 million, down from \$7.8 million in FY 06. The variance represents \$2.1 million in the FY 07 budget for any potential operations requirements of the federally mandated Help America Vote Act (HAVA), and the elimination of the FY 06 contingency “reserve” of \$5.0 million for unforeseen events and \$2.8 million in Medicaid related expenses.

The following chart details the Miscellaneous expense budget for FY 07 by object class. Local Government Assistance charges of \$62.0 million account for 46.9% of the total \$132.2 million FY 07 proposed budget. NHCC expenditures in the amount of \$13.0 million and inter-departmental charges of \$8.3 million follow. These charges represent budgeted expenses in the Other control center for building occupancy costs and reimbursements of expenditures incurred by Police Headquarters Fund for services, supplies, and materials provided to other County departments such as the salaries of security officers and other employees, but who provide services to other departments.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 05 Proj.</b>
AA	Salaries	\$4,351,653	\$800,000	\$4,117,016	\$4,117,016	(\$234,637)	\$3,317,016
AB	Fringe Benefits	22,679,424	22,164,957	23,489,540	23,489,540	810,116	1,324,583
	<b>Total PS</b>	<b>27,031,077</b>	<b>22,964,957</b>	<b>27,606,556</b>	<b>27,606,556</b>	<b>575,479</b>	<b>4,641,599</b>
GA	Local Government Assistance	59,736,041	58,630,272	62,046,922	62,046,922	2,310,881	3,416,650
HC	Nassau Health Care Corp.	13,000,000	13,000,000	13,000,000	13,000,000	0	0
HF	Inter-Departmental Charges	4,206,401	4,206,399	0	8,318,247	4,111,846	4,111,848
LO	Transfer to CPF Fund	5,000,000	0	0	0	(5,000,000)	0
NA	NCIFA Expenditures	1,450,000	1,300,000	1,300,000	1,300,000	(150,000)	0
OO	Other Expenses	23,914,666	21,585,034	19,908,735	19,908,735	(4,005,931)	(1,676,299)
	<b>Total OTPS</b>	<b>107,307,108</b>	<b>98,721,705</b>	<b>96,255,657</b>	<b>104,573,904</b>	<b>(2,733,204)</b>	<b>5,852,199</b>
	<b>Grand Total</b>	<b>\$134,338,185</b>	<b>\$121,686,662</b>	<b>\$123,862,213</b>	<b>\$132,180,460</b>	<b>(\$2,157,725)</b>	<b>\$10,493,798</b>

The FY 07 revenue budget for Miscellaneous is decreasing by \$963,591 or 2.6% less from FY 06, as shown in the chart below. The variance is primarily a function of a \$5,000,000 appropriation from fund balance in 2006, offset by an additional \$4.5 million in State Aid, for legal aid programs. .

<b>REVENUE BUDGET BY REVENUE CLASS</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
AA Fund Balance	\$5,000,000	\$5,000,000	\$0	\$0	(\$5,000,000)	(\$5,000,000)
BF Rents & Recoveries	23,200,000	24,366,499	14,800,000	23,800,000	600,000	(566,499)
BG Revenue Offset To Expense	5,597,823	5,691,468	4,634,708	4,634,708	(963,115)	(1,056,760)
FA Federal Aid - Reimb. Exp.	320,265	99,443	153,770	153,770	(166,495)	54,327
SA State Aid - Reimb. Expense	1,646,011	2,002,911	6,212,022	6,212,022	4,566,011	4,209,111
<b>Total</b>	<b>\$35,764,099</b>	<b>\$37,160,321</b>	<b>\$25,800,500</b>	<b>\$34,800,500</b>	<b>(\$963,599)</b>	<b>(\$2,359,821)</b>

**EXPENSE BUDGET**

The adopted expense budget for Nassau Community College (NCC) for the fiscal year September 1, 2006 through August 31, 2007 totals \$179.8 million, an increase of \$6.2 million, or 3.6% over the current year's appropriation and an increase of \$10.4 million, or 6.1% over the current year's projection.

**Table 1**

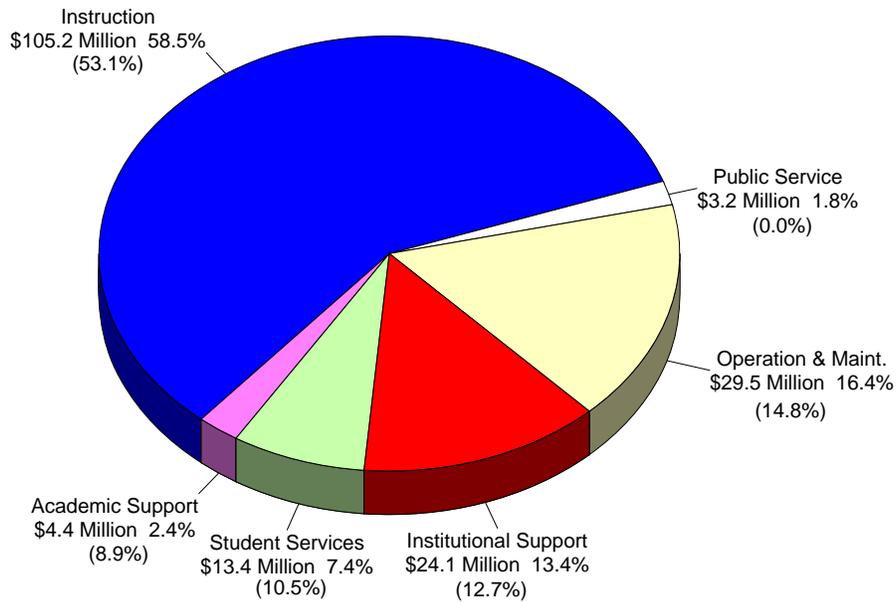
Personal Services	FY 06-07 vs.						
	Adopted FY 05 - 06	Adopted FY 06 - 07	Adopted Budget	% Change	Projected FY 05 - 06	Adopted vs. Projected	% Change
Salaries, Wages & Fees	\$110,105,147	\$115,519,130	\$5,413,983	4.9%	\$110,619,399	\$4,899,731	4.4%
Fringe Benefits	40,955,000	41,329,841	374,841	0.9%	37,413,100	3,916,741	10.5%
Subtotal	\$151,060,147	\$156,848,971	\$5,788,824	3.8%	\$148,032,499	\$8,816,472	6.0%
<b>OTPS</b>							
Equipment	\$2,000,000	\$1,984,006	(\$15,994)	-0.8%	\$1,983,900	\$106	0.0%
Materials & Supplies	1,525,000	0	(1,525,000)	-100.0%	1,235,457	(1,235,457)	-100.0%
General Expenses	4,800,000	6,219,754	1,419,754	29.6%	4,524,908	1,694,846	37.5%
Contractual Services	6,225,285	6,489,415	264,130	4.2%	5,517,303	972,112	17.6%
Utility Costs	1,100,000	1,150,000	50,000	4.5%	978,729	171,271	17.5%
Interfund Charges	6,700,000	7,051,000	351,000	5.2%	7,058,036	(7,036)	-0.1%
Other Expenses	115,000	30,000	(85,000)	-73.9%	30,000	0	0.0%
Subtotal	\$22,465,285	\$22,924,175	\$458,890	2.0%	\$21,328,333	\$1,595,842	7.5%
<b>Total Expenses</b>	<b>\$173,525,432</b>	<b>\$179,773,146</b>	<b>\$6,247,714</b>	<b>3.6%</b>	<b>\$169,360,832</b>	<b>\$10,412,314</b>	<b>6.1%</b>

Although the College projects their expenses to be on budget in FY 2005-06, OLBR does not anticipate that the College will spend as much of the remaining OTPS budget as its Administration expects to. Our projections are based on historical percentages of June year-to-date actual expenditures compared to the annual actual expenditures.

Due to the lower than expected enrollment in FY 2005-06 and the uncertainty of enrollment for FY 2006-07, the College has included a contingency budget of \$1.76 million in the FY 2006-07 budget. Of this, \$410,000 is in salaries, \$250,000 is in equipment, \$500,000 is in general expenses, and \$600,000 is in contractual services. The college will not release these funds if enrollment is less than 1% up from the Fall of 2005 or there are any other risks to the expense or revenue budget.

Chart 1

Adopted FY 2006-07 Expenditure Budget By Function  
(Compared to Local Community Colleges)



FY 2004-05 actual data from Suffolk and Westchester Community Colleges. Data is from the The State University of New York FY 2004-05 Annual Report Summary.

As illustrated in Chart 1, the College’s expenditures are made up of 64.3% salaries and 23.0% fringe benefits. As a basis for comparison, the corresponding average percentages for Suffolk and Westchester community colleges for FY 2004-05, the most recent year for which statewide figures are available, are noted in parentheses. Other Than Personal Services (OTPS) makes up 12.8% of the total adopted budget. In comparison Suffolk spent 13.2% and Westchester spent 18.8% in FY 2004-05. NCC plans to spend 87.3% of total costs on salaries and fringe benefits in FY 206-07. In FY 2004-05 Suffolk and Westchester spent 86.8% and 81.9% respectively on these costs. In FY 2004-05 Nassau Community College had a net operating expenditure per FTE student of \$8,420, while Suffolk spent \$7,777 and Westchester spent \$7,001. The student/faculty ratio at Nassau was 16.9 to 1, compared to Suffolk with a 22.9 to 1 ratio and Westchester with a 17.5 to 1 ratio. In FY 2006-07, the college projects the expenditure per FTE student to go up to \$9,509 and the student/faculty ratio to stay at about 16.9 to 1. The increase in expenditure per FTE is due to increased costs and a reduced enrollment.

Table 2 shows a comparison of average salaries from the year FY 2004-05.

**Table 2**

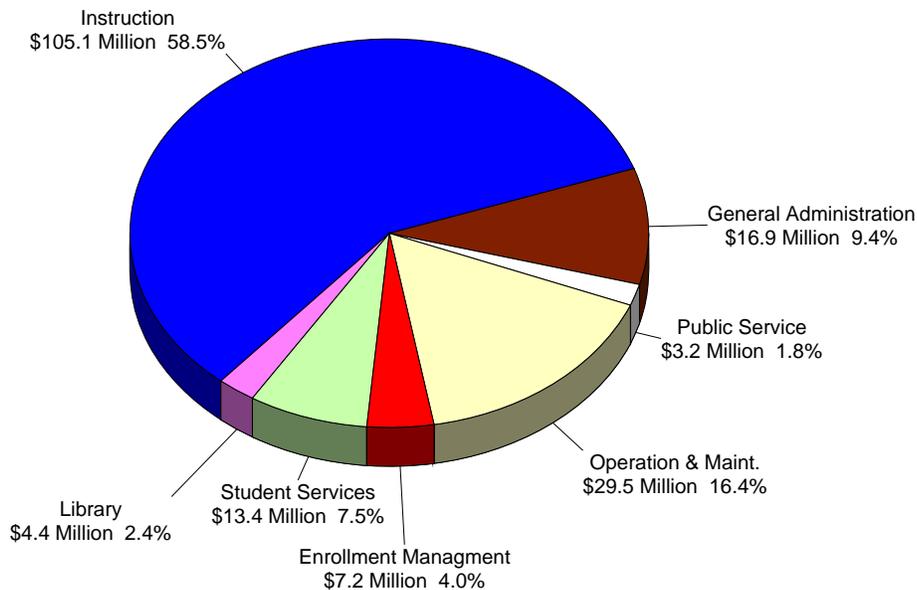
<u>FY 2004-05 Comparative Salaries</u>				
<u>Institution</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
Nassau Community College	94,100	76,900	64,900	51,900
Suffolk Community College	83,200	64,700	55,000	45,800
Westchester	97,300	84,100	69,600	N/A

Source: The Chronicle of Higher Education. Facts & Figures, AAUP Faculty Salary Survey

Chart 2 shows the breakout of adopted budget expenses by function. The largest category is instruction which utilizes 58.5% of the budget. Operation and maintenance of plant consumes 16.4% of the budget and includes many projects that would be included in the capital budget if funds were available. General administration expenses take up 9.4% and student services uses 7.4%. Enrollment management has 4.0% of the adopted budget and the library has 2.4%.

**Chart 2**

**Adopted FY 2006-07 Expenditure Budget By Function**



**Salaries & Wages**

Salaries and wages makes up approximately 64.3% of the total budget and is increasing by 4.9% over the FY 2005-06 budget and 4.4% over the FY 2005-06 projected actual. The Nassau Community College Federation of Teachers' (NCCFT) contract includes a COLA increase of 2.35% on September

1, 2006. When additional benefits are included, such as the step increment, the total salary expenditure increases by 4.2% over the FY 2005-06 actual. The Adjunct Faculty Association’s contract provides for a COLA increase of 3.9% with additional benefits bringing the total cost up by 5.2%. These additional contract changes include a 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 3.5% COLA increase.

Tables 3 and 4 show the distribution of full-time and part-time staff by budgetary control center.

Table 3

FULL-TIME HEADCOUNT										
Control Center	Adopted 05 - 06		Adopted 06 - 07		Difference			June 06 Act. F/T	Difference	
	F/T	Pers. Svcs	F/T	Pers. Svcs	F/T	Pers. Svcs	% Chg		F/T	% Chg
General Administration	115	\$6,514,096	121	\$7,036,713	6	522,617	8.0%	110	11	10.0%
Instruction	706	49,811,544	698	51,808,100	(8)	1,996,556	4.0%	703	(5)	-0.7%
Extension & Public Service	15	954,246	13	875,136	(2)	(79,110)	-8.3%	13	0	0.0%
Library	37	2,040,951	38	2,161,167	1	120,216	5.9%	38	0	0.0%
Student Services	119	6,941,713	123	7,432,990	4	491,277	7.1%	113	10	8.8%
Enrollment Management	65	3,654,114	66	3,857,333	1	203,219	5.6%	64	2	0.0%
Maint & Op. of Plants	144	7,642,434	146	7,952,799	2	310,365	4.1%	143	3	2.1%
Grand Total	1,201	\$77,559,098	1,205	\$81,124,238	4	3,565,140	4.6%	1,184	21	1.8%

Table 4

PART-TIME HEADCOUNT								
Control Center	Adopted 05 - 06		Adopted 06 - 07		Difference			
	P/T	Pers. Svcs	P/T	Pers. Svcs	P/T	Pers. Svcs	% Chg	
General Administration	69	\$602,413	62	\$577,477	(7)	(\$24,936)	-4.1%	
Instruction	1,367	22,952,720	1,349	24,239,751	(18)	1,287,031	5.6%	
Extension & Public Service	174	1,618,785	169	1,482,803	(5)	(135,982)	-8.4%	
Library	68	429,305	68	543,625	0	114,320	26.6%	
Student Services	187	878,196	188	1,272,295	1	394,099	44.9%	
Enrollment Management	121	1,327,444	115	1,426,713	(6)	99,269	7.5%	
Maint & Operation of Plants	57	525,450	56	445,967	(1)	(79,483)	-15.1%	
Grand Total	2,043	\$28,334,313	2,007	\$29,988,631	(36)	\$1,654,318	5.8%	

The FY 2006-07 adopted budget of 1,205 full-time positions is 4 more than the current year’s budget and 21 more than the June 1<sup>st</sup> actual. The increase from the FY 2005-06 budget in General Administration is for two positions to be utilized in fund raising, two positions for strategic planning, one Graphic Designer for web site design and marketing, and one Accountant to address increased reporting demands. Instruction is decreasing by 8 due to declining enrollment, a change in policy to utilize more adjuncts, an increase in expected sabbaticals and the transfer of four positions to student services. The variance from the June 1<sup>st</sup> actual reflects vacancies, teachers on sabbatical, a lower spring headcount than fall headcount and the additions previously mentioned. Funding for part-time staffing is budgeted to increase by \$1.7 million or 5.8% to cover contractual increases. If the \$410,000 in salaries

reserve is released, the College Administration plans to use the funds for part-time help, primarily in the instructional and student services areas.

**Fringe Benefits**

The adopted budget for fringe benefits is detailed in Table 5.

**Table 5**

Object of Expense	FY 06-07 vs. FY 05-06						
	Adopted FY 05 - 06	Adopted FY 06 - 07	Adopted Budget	% Change	Projected FY 05 - 06	Adopted vs. Projected	% Change
Social Security Contribution	\$8,320,000	\$8,370,000	50,000	0.6%	\$7,900,000	\$470,000	5.9%
Health Insurance	12,860,000	14,012,000	1,152,000	9.0%	12,433,900	1,578,100	12.7%
TIAA CREF (Retirement)	5,900,000	6,052,000	152,000	2.6%	5,818,000	234,000	4.0%
Health Insurance Retirees	6,297,000	5,999,000	(298,000)	-4.7%	5,108,600	890,400	17.4%
Teachers Retirement	1,246,592	1,569,000	322,408	25.9%	1,390,000	179,000	12.9%
Medicare Reimbursement	780,000	860,000	80,000	10.3%	844,000	16,000	1.9%
Workers' Compensation	726,000	750,000	24,000	3.3%	464,300	285,700	61.5%
Dental	720,000	720,000	0	0.0%	697,100	22,900	3.3%
State Retirement	3,735,408	2,627,841	(1,107,567)	-29.7%	2,531,800	96,041	3.8%
Optical Plan	140,000	140,000	0	0.0%	131,000	9,000	6.9%
Unemployment	230,000	230,000	0	0.0%	94,400	135,600	143.6%
	<u>\$40,955,000</u>	<u>\$41,329,841</u>	<u>\$374,841</u>	<u>0.9%</u>	<u>\$37,413,100</u>	<u>\$3,916,741</u>	<u>10.5%</u>

Although fringe benefits appear to be increasing by \$374,841 or 0.9% from the adopted FY 2005-06 budget, the increase is actually significantly higher due to additional money budgeted in the prior year's fringe benefits for contractual increases. There is a \$3.9 million or 10.5% increase from the FY 2005-06 projected actual. This is primarily due to increases in health insurance which the college projects at 13.0%. This is a conservative estimate since a recent best estimate provided by the State projects the increase at 10.3% for active employees. For retirees, the State's estimate is about 12.4%. There is a savings of \$445,592 in state retirement for FY 2006-07 due to the drawing down from a 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 which was used last year and will be used in the next two years to offset the future pension cost. Teachers retirement is increasing by \$322,408 or 25.9% from the FY 2005-06 budget and by \$179,000 or 12.9% from the FY 2005-06 projected. The current year's budget was based on a lower than actual rate of salaries. The next year's estimated bill from the Teachers Retirement System contains an 8% rate increase and a salary increase. Medicare reimbursements are increasing from the FY 2005-06 budget by 10.3% due to federal changes in the Medicare program.

**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 \$458,890 or 2% from the FY 2005-06 budget and \$1.6 million or 7.5% from the FY 2005-06 projected actual. The distribution of these costs by function can be seen in Table 6.

**Table 6**

Control Center	FY 06-07 vs.		FY 05-06		FY 05-06	FY 06-07	
	Adopted FY 05 - 06	Adopted FY 06 - 07	Adopted Budget	% Change	Projected Actual	Adopted vs. Projected	% Change
General Administration	\$2,122,692	\$3,106,682	\$983,990	46.4%	\$1,789,419	\$1,317,263	73.6%
Instruction	2,975,695	2,376,659	(599,036)	-20.1%	2,878,306	(501,647)	-17.4%
Extension & Public Serv.	322,000	230,942	(91,058)	-28.3%	212,169	18,773	8.8%
Library	471,905	524,455	52,550	11.1%	518,059	6,396	1.2%
Student Services	334,064	388,400	54,336	16.3%	296,903	91,497	30.8%
Enrollment Management	226,105	359,232	133,127	58.9%	123,989	235,243	189.7%
Maint & Op. of Plant	16,012,824	15,937,805	(75,019)	-0.5%	15,509,488	428,317	2.8%
	\$22,465,285	\$22,924,175	\$458,890	2.0%	\$21,328,333	\$1,595,842	7.5%

As previously mentioned, the College projects expenses to be on budget, but OLBR does not anticipate this to happen since current spending is significantly below budget. Regardless of whether or not the College spends up to budget, the FY 2006-07 budget was based not on the current year’s projected actual but the FY 2004-05 actual. Next year’s OTPS budget was calculated by taking the actual FY 2004-05 expenses, which totaled \$19.3 million, and adding the reserve and certain increases as detailed below. Table 7 outlines the variance between these years by control center and provides a brief description of the increases.

**Table 7**

Control Center	FY 04 - 05 Actual	FY 06 - 07 Adopted	Adopted vs. Actual	% Change	Variance Explanations
General Administration	\$1,613,681	\$3,106,682	\$1,493,001	92.5%	\$1.35 million reserve
Instruction	2,482,224	2,376,659	(105,565)	-4.3%	Reduced enrollment
Extension & Public Serv.	225,894	230,942	5,048	2.2%	
Library	459,504	524,455	64,951	14.1%	Increasing cost of library contracts
Student Services	310,681	388,400	77,719	25.0%	Vehicle registration expenditures
Enrollment Management	0	359,232	359,232	-	Enrollment development initiative
Maint & Op. of Plant	14,202,405	15,937,805	1,735,400	12.2%	CUP charges, utility cost, add'l maint. projects
	\$19,294,389	\$22,924,175	\$3,629,786	18.8%	

The total variance is \$3.63 million with \$2.28 million of increases and \$1.35 million in the reserve fund. The unavoidable increases includes a \$769,166 increase in Central Utility Plant (CUP) charges which are being charged to Maintenance and Operation of Plant. These costs are for energy and chilled water expenses passed on by Trigen Energy to the College, Medical Center, Coliseum and Marriott and is also reflected in the Interfund charges as shown separately in Table 1. Also within this cost center are increases for utilities (\$249,380), contract increases and necessary maintenance projects. This includes \$200,000 for appropriations from the dedicated parking fee revenue which will be used for parking lot maintenance. The remaining \$125,000 from this revenue source is budgeted in Student Services and

will be spent on the stickers which will be given to the students and security in the parking lots. Enrollment Management was a department developed last year to better identify and coordinate enrollment efforts. Library costs are increasing for the library’s database subscription contracts. In addition to the reserve, General Administration charges are increasing for credit card fee charges which are generated when a student pays for tuition with a credit card and legal fees.

If the \$1.35 million in OTPS contingency funds are released, the College administration plans to utilize about \$1.0 million for special projects, most of which would be capital projects. The list of possible projects exceeds the \$1.0 million so an assessment will have to be made as to what takes priority when the funds are made available. Table 8 is a list of possible projects.

**Table 8**

<u>Projects Planned for FY 2006-07 with Reserve Funds</u>	
<u>Project</u>	<u>Estimated Cost</u>
Installation of Perkins and other grant items	\$30,000
Software installation and implementation College-wide inventory system	30,000
Modification of Art Gallery & public safety buildings	195,000
Asphalt and concrete repair	300,000
Graphics for various directories	175,000
Conversion of various educational facilities to meet evolving curricular programs	150,000
Continuation of NIOSH remediation in various College locations	200,000
Security & Surveillance	185,000
Vertical and horizontal re-caulking of the library	190,000
Perimeter road lighting	100,000
Conversion of military property	225,000
	\$1,780,000

The other \$350,000 will go toward instruction equipment, which would be primarily for technology improvements in classrooms. This is in addition to the student technology fee appropriations.

**REVENUE BUDGET**

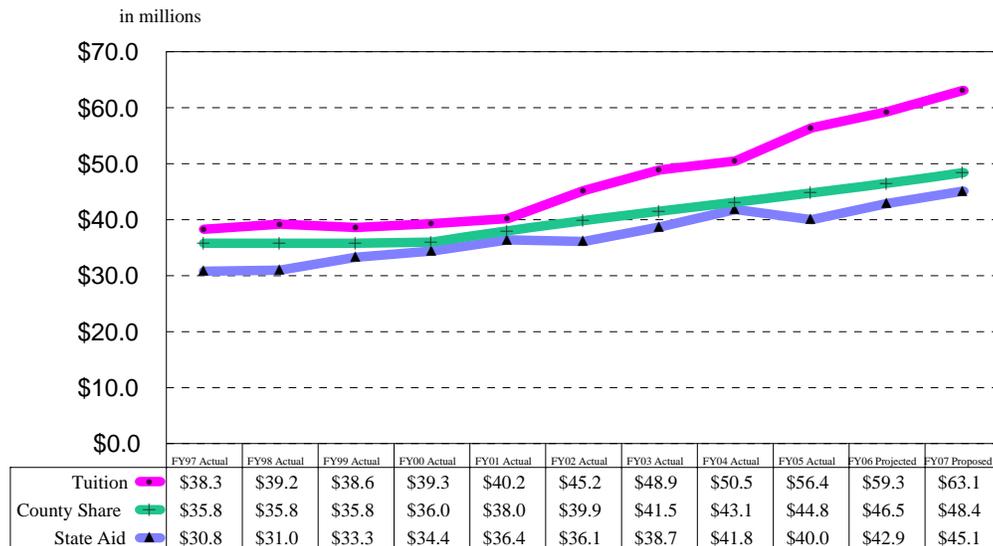
The Nassau Community College FY 2006 - 07 operating budget of \$173,525,432 was adopted by the Legislature on July 25, 2005. This represents an increase of \$6.2 million, or 3.6%, over the current year’s adopted budget. Compared to the projected revenues that will be collected this year, the increase is \$9.0 million, or 5.3%. This budget was unanimously approved on May 18, 2006 by the College’s Board of Trustees.

**Table 9**

Revenue Source	Adopted FY 2005 - 2006	Adopted FY 2006 - 2007	Adopted FY 06 Adopted FY 07	% Change	Projected FY 2005 - 2006	Adopted vs. Projected	% Change
Tuition	\$61,558,934	\$63,064,728	\$1,505,794	2.4%	\$59,304,993	\$3,759,735	6.3%
Property Taxes	46,545,867	48,361,156	1,815,289	3.9%	46,545,867	1,815,289	3.9%
State Aid	43,077,850	45,106,906	2,029,056	4.7%	42,859,300	2,247,606	5.2%
Rev. Lieu Spons. Share	13,124,781	13,344,695	219,914	1.7%	12,843,787	500,908	3.9%
Rev. Offset To Expense	3,900,000	3,400,000	(500,000)	-12.8%	3,037,658	362,342	11.9%
Service Fees	3,705,000	4,845,661	1,140,661	30.8%	4,223,000	622,661	14.7%
Rents & Recoveries	1,122,000	900,000	(222,000)	-19.8%	1,122,000	(222,000)	-19.8%
Investment Income	250,000	500,000	250,000	100.0%	550,000	(50,000)	-9.1%
Federal Aid	241,000	250,000	9,000	3.7%	260,000	(10,000)	-3.8%
<b>Total Revenues</b>	<b>\$173,525,432</b>	<b>\$179,773,146</b>	<b>\$6,247,714</b>	<b>3.6%</b>	<b>\$170,746,605</b>	<b>\$9,026,541</b>	<b>5.3%</b>

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

**Chart 3**  
**Tuition, County Share, and State Aid**  
FY 1997 - 2007



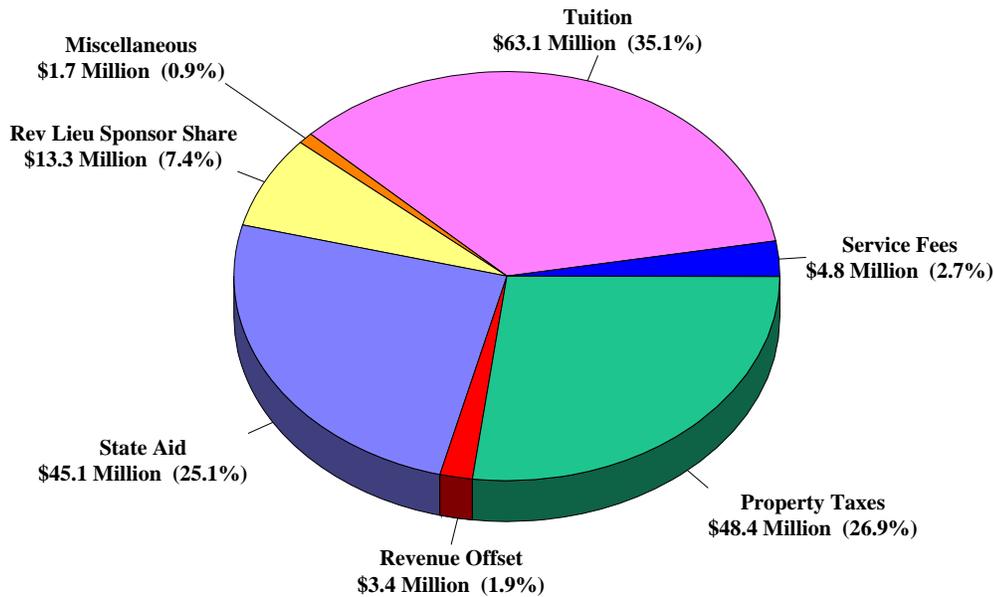
From the 1997 actuals to the 2007 adopted budget, annual tuition receipts will have risen 64.7%, state aid 46.4%, and County share 35.0%. This represents an increase of \$51.6 million dollars, of which tuition accounts for \$24.8 million, state aid \$14.3 million, and County share \$12.5 million. At the adopted 2007 levels, the annual tuition rate will have risen 56.1% since 1997, while the state aid per FTE grew by 36.5%.

The largest revenue source for the College is tuition, with a budget of \$63.1 million. The other major sources of revenue are property taxes (\$48.4 million), state aid (\$45.1 million), and revenue lieu sponsor share (\$13.3 million). The remaining \$9.9 million consists of revenue offset to expenses (\$3.4 million), service fees (\$4.8 million), and rents & recoveries, investment income, and federal aid (\$1.7 million).

Chart 4

## Revenue Sources

### Adopted FY 2006 - 07 Budget (\$179.8 Million)



### **Tuition (\$63,064,728)**

The College's \$63.1 million budget for tuition, or student revenues, was based on an annual tuition increase of \$170 applied to flat enrollment growth. At the time this budget was adopted, the College projected that enrollment for the FY 2005 –2006 academic year would be 2.9% less than FY 2004 –2005. However, the proposed budget was formulated on a projected enrollment for FY 2005 –2006 that was anticipated to decrease by only 2.2%. Based on the more recent estimate, if enrollment remains constant, tuition revenue for FY 2006 - 2007 will total \$62.5 million or approximately \$550,000 less than has been budgeted. An increase in full-time enrollment of 166 students would eliminate this potential revenue risk.

Tuition will increase by \$170, from \$3,140 to \$3,310, or 5.4% above the prior year's rate. The 2006 full-time student average tuition rate for community colleges in New York State is \$2,951. Tuition at

NCC has risen steadily since slight reductions in fiscal years 1998 and 1999. The rate for FY 2006 - 07 will bring the average annual increase since 2000 to 6.2%. The average change in tuition rates for New York State community colleges as of June 1, 2006 equals an estimated change of \$98.26, ranging from a \$25 to a \$300 increase, notwithstanding zero change by nearly 20% of the community colleges. See Exhibit II, a.

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

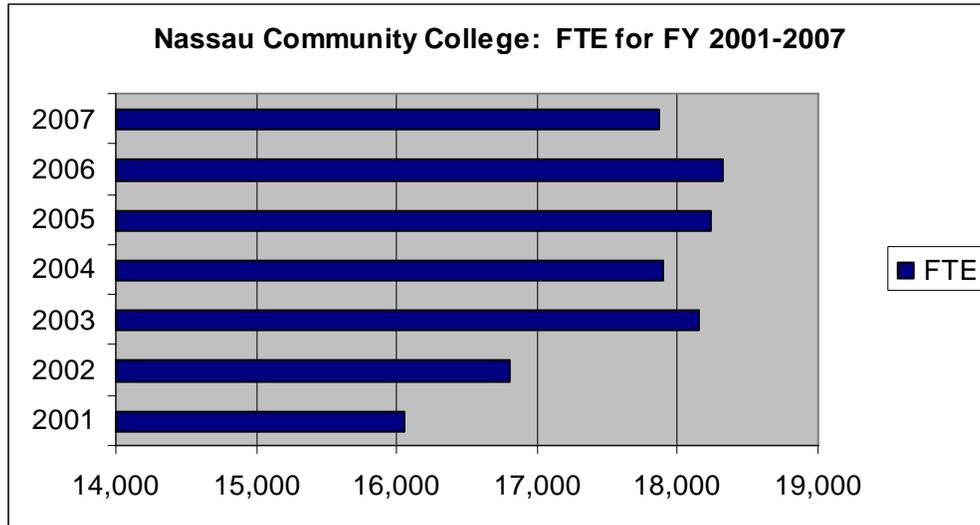
- 20,979 students were enrolled in more than 30 academic departments, of which 64% were full-time students. Of the 13,528 full time students, 89% attended day classes.
- Overall, enrollment for FY 2005-2006 has decreased by 2.9% from the prior year. . According to the New York State Office of Higher Education, undergraduate enrollment decreased by 0.7% in two-year colleges across the state during the same time period.
- Specifically, both full time day and evening student enrollments have declined by 247 students, or 2.0% and 13 students or 0.9%, respectively. On a part-time basis, there were 308 fewer or 7.8% less evening students enrolled when compared to fall 2004, offsetting the 2.7% or 101 increase in part-time day student enrollment.
- Excluding those of unknown origin, for the fall 2005 semester, 45.6% of the students were members of ethnic minorities, up from 44.6% last year. African American students accounted for 20.5% of total enrollment, 13.1% of students were of Hispanic origin, 6.0% were of Asian descent, 5.7% were non-U.S. citizens, and 0.3% of students were American Indian. This is the first year that the college has seen a decline in all minority student groups, excluding African Americans, although as a percentage of total enrollment, all minority categories have increased marginally. Since fall 1995 Hispanic, Asian and Non-resident alien student body increased by 42.0%, 64.9% and 166.4% respectively. During the same period, enrollment of Black students has increased by 56.4%. Overall, including a 17.8% decrease in American Indian students, the college's minority enrollment has increased by 60.2% over the past decade.
- Approximately 60-65% 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.

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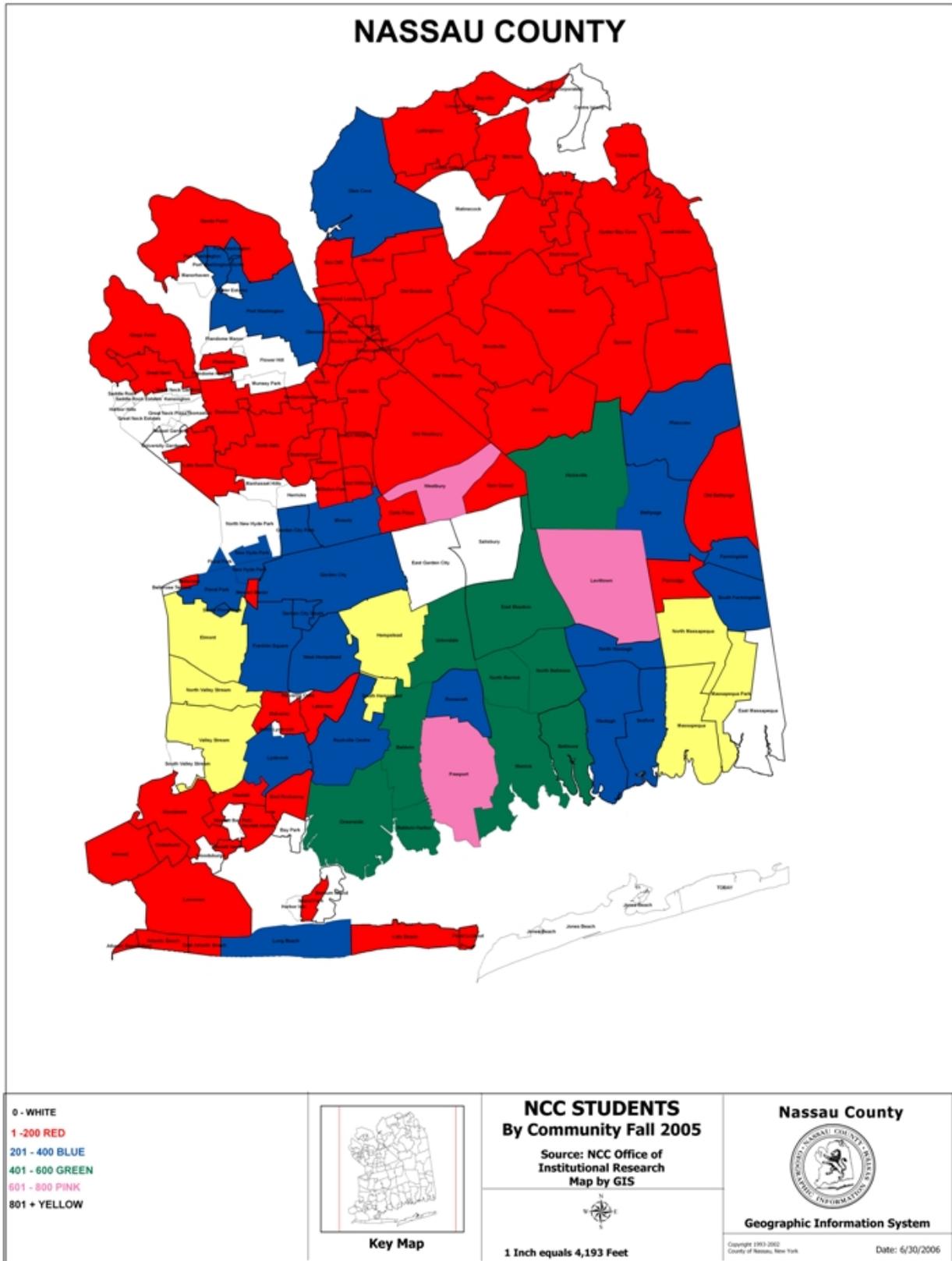
<sup>1</sup> Data provided by Nassau Community College Office of Institutional Research

- As computed in the following chart, the college's FTE's have averaged 17,619 students over the past years, ranging from 16,053 in 2001, to 18,320 budgeted in 2006. The proposed FTEs for 2007 total 17,864, a 2.6% decline or 456 less FTEs since last year.

Chart 5



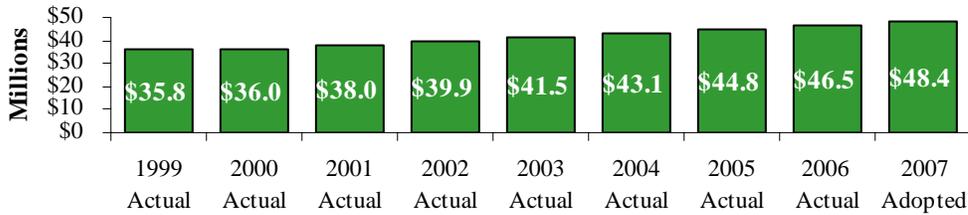
- Of the 20,979 total enrolled students, 78.1% of the students were from Nassau County, 12% came from Queens, and 7.8% were from Suffolk County. The remaining 1.7% enrollment came from elsewhere in New York State or from out of state. The following map illustrates Nassau students, by community, enrolled at the College. See also Exhibit I for a listing of student enrollment by community in Nassau County.



**Property Taxes (\$48,361,156)**

County share is made up of a dedicated property tax levy. The proposed amount represents an increase of 35.0% since years FY 95 through FY 99 when the County contribution remained constant at \$35.8 million.

**Chart 6**  
**County Share (Property Tax)**  
**FY 1999 - 2007**



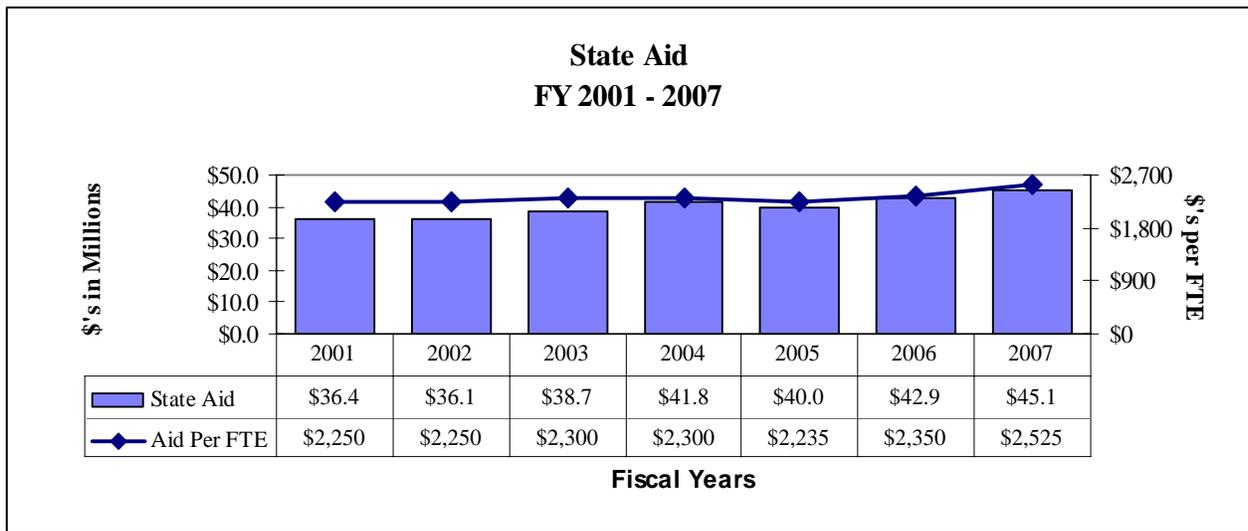
Note: The 1999 actual was made up of a property tax levy of \$27.0 million and an interfund revenue of \$8.8 million.

This is the fifth consecutive year of a 3.9% increase. Based on current rates, the \$1.8 million in the budget will cost the average Nassau homeowner an additional \$3.52, for a total contribution to the College of \$94.11. The statewide average of County share (“Sponsor’s Contribution”) as a percentage of operating revenues for all community colleges in FY 2004-2005 was 20.9%. Nassau County’s share, in the adopted budget, is 26.9%.

**State Aid (\$45,106,906)**

State aid is received for each full-time equivalent student (FTE), based on the prior year’s enrollment. An FTE is equal to 30 credits annually. For the current fiscal year, the State is providing \$2,350 per FTE. This will increase by \$175 to \$2,525 in FY 2006 - 2007.

**Chart 7**

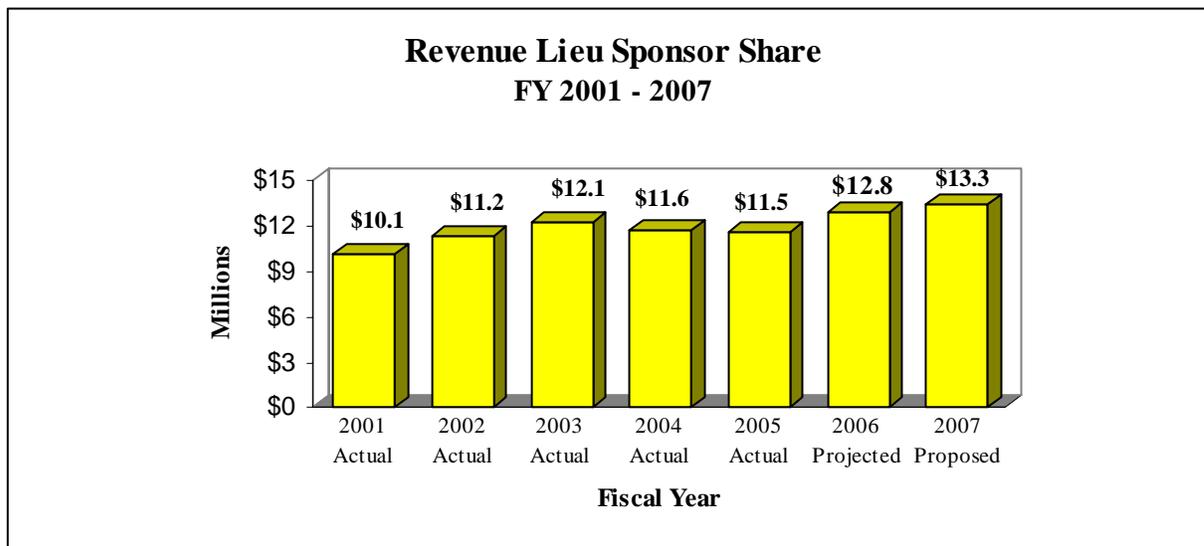


The most recent projection provided by the College for enrollment in FY 2005 - 2006 represents a decrease of approximately 2.9% compared to FY 2004 - 2005. As was previously mentioned regarding tuition, the FY 2006 - 2007 budget was based on an earlier estimate that anticipated a 2.2% enrollment reduction in FY 2005 - 2006. The lower enrollment projection would result in 155 fewer FTE's, and produce a budget deficit of approximately \$390,000.

**Revenue Lieu Sponsor Share - Charges Other Counties (\$11,234,063) and Non-Residents (\$2,110,632)**

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 expenditure for Nassau residents attending the College. As of the fall 2005 semester, the College received chargeback revenues for 1,478 full-time and 959 part-time students who reside in Queens, resulting in a total decrease of approximately 5.7% (146 students) or 5.4% credits, from the previous fall. Residents of Queens account for over 10% of total NCC enrollment. Suffolk County students, representing 5.8% of all students, experienced a similar overall decrease from last year of approximately 0.3%.

Chart 8



The current FY 2006 chargeback rate is \$3,220 per non-resident FTE. The FY 2007 rate will increase to \$3,470 or 7.8% more than last 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 07 budgeted amount of \$13.3 million for this revenue source represents a 3.9% increase from chargeback revenues projected in 2006, corresponding to the 3.9% increase in the County's property tax contribution. A one-time negative adjustment in the FY 05 chargeback rate accounts for the apparently large growth of \$1.3 million in FY 06, despite the decrease in enrollment of non-Nassau county residents. The college assumes out of County enrollment will continue at the FY 2006 level.

In addition to the revenue received from other counties, the College is able to charge a higher tuition rate to non-Nassau County residents without a certificate of residence and to out of state residents. The anticipated revenue from these students in the 2007 budget year is \$2.1 million. When compared to last year's budget, out of county residents without a resident certificate equal 146 less than last year. This decrease, however, is greater than the drop off in county residents who attend NCC.

**Revenue Offset to Expenses (\$3,400,000)**

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. The current year's budget of \$3.9 million for this revenue source is projected to fall short by approximately \$900,000. College administrators attribute this deficit to increased competition in providing these types of programs, particularly for corporate training. The FY 2006-2007 budget of \$3.4 million is greater than the \$3.0 million anticipated for FY 2005-2006 and the \$3.3 million received in FY 2004-2005, but less than the \$3.7 million booked in FY 2002-2003 and FY 2003-2004. This is another area in which the College's marketing and enrollment management efforts can contribute.

**Service Fees (\$4,845,661)**

The majority of income for service fees comes from student lab and technology fees, late registration and application fees, and transcript fees. The budget for service fees is increasing by \$1.1 million, or 30.8% over the FY 2005-2006 budget, and \$623,000, or 14.7% over the projected actuals. The anticipated growth is related to an increase in student lab fees which was implemented during the spring semester. A new student fee for vehicle registration is expected to raise \$324,000. Table 10 below outlines the difference in service fees and revenues from projected FY 06 amounts to FY 07.

Table 10

Service Fees						
Projected FY 2006 vs. Proposed FY 2007						
Service Fee: Source	Fee	FY 05-06		FY 06-07		Variance
		Projected Revenue	Fee	Proposed Budget	Fee Revenue	
Technology Fee	\$40	\$1,435,000	\$40	\$1,450,000	\$0	\$15,000
Student Lab Fees Day	100	1,200,000	100	1,531,661	0	331,661
Application	30	450,000	30	440,000	0	(10,000)
NG Check Fee	20	14,000	20	18,000	0	4,000
Transcript Fees	5	220,000	5	200,000	0	(20,000)
Late Registration	25	465,000	25	450,000	0	(15,000)
Nursing Evaluation	75	1,000	75	2,000	0	1,000
Tuition Pay Plan	25	260,000	25	230,000	0	(30,000)
Change of Program	25	85,000	25	95,000	0	10,000
Int'l Student Insurance	1000	13,000	1000	30,000	0	17,000
Convenience Fee	18	80,000	18	75,000	0	(5,000)
Vehicle Registration	0	0	45	324,000	45	324,000
Totals		\$4,223,000		\$4,845,661		

**Other (\$1,150,000)**

The majority of this category, \$900,000, 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 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 (\$500,000)**

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 this revenue, conservatively budgeted at \$250,000 (\$332,436 was credited in FY 2004-2005), is projected to come in at \$550,000, due to larger than anticipated interest rates. The doubling of this revenue in the adopted budget will bring it in line with actual receipts.

**MULTI-YEAR PLAN**

The College’s Financial Plan for FY 07 through FY 10, Table 11, appears below. It is based on assumptions made this past March when the FY 07 budget was being formulated. This Plan is subject to change pending review by the College’s Board of Trustees and final submission in April of 2007.

**Table 11**

<b>Nassau Community College Multi-Year Plan FY 07 - FY 10</b>				
<b>EXPENSES</b>	FY 2007 Adopted Budget	FY 2008 Plan	FY 2009 Plan	FY 2010 Plan
Salaries	115,519,130	121,493,728	127,325,427	133,437,048
Fringe Benefits	41,329,841	45,049,526	49,548,984	54,008,392
<b>Sub-total</b>	<b>156,848,971</b>	<b>166,543,254</b>	<b>176,874,411</b>	<b>187,445,440</b>
Equipment	1,984,006	2,000,000	2,000,000	2,000,000
General Expenses	6,219,754	6,350,000	6,525,000	6,600,000
Contractual	6,489,415	6,272,546	6,400,000	6,525,000
Utility Costs	1,150,000	1,200,000	1,250,000	1,300,000
Interfund Charges	7,051,000	7,108,030	7,321,271	7,540,908
Other	30,000	120,000	120,000	120,000
Banner Maintenance	0	0	0	848,750
<b>Sub-total</b>	<b>22,924,175</b>	<b>23,050,576</b>	<b>23,616,271</b>	<b>24,934,658</b>
<b>Total</b>	<b>179,773,146</b>	<b>189,593,830</b>	<b>200,490,682</b>	<b>212,380,098</b>
<b>REVENUES</b>				
Investment Income	500,000	350,000	375,000	400,000
Rents & Recoveries	900,000	800,000	700,000	500,000
Revenue Offset To Expense	3,400,000	3,500,000	3,600,000	3,700,000
Service Fees	4,845,661	4,521,661	4,521,661	4,521,661
Student Revenues	63,064,728	71,399,488	78,877,751	87,351,064
Rev Lieu Sponsor Share	13,344,695	13,865,137	14,405,878	14,967,707
Federal Aid	250,000	250,000	250,000	250,000
State Aid	45,106,906	44,660,303	45,553,509	46,446,715
Property Taxes	48,361,156	50,247,241	52,206,883	54,242,951
<b>Total</b>	<b>179,773,146</b>	<b>189,593,830</b>	<b>200,490,682</b>	<b>212,380,098</b>
<b>Fund Balance Beginning</b>	<b>5,842,255</b>	<b>5,842,255</b>	<b>5,842,255</b>	<b>5,842,255</b>
Structural Balance	0	0	0	0
<b>Fund Balance Ending</b>	<b>5,842,255</b>	<b>5,842,255</b>	<b>5,842,255</b>	<b>5,842,255</b>

The out-year estimates for student revenues and state aid assumed flat enrollment at the projected FY 06 level. As previously discussed, the March projection that was the basis for the proposed and adopted FY 07 budgets proved to be slightly higher than the actual FTE count, resulting, in FY 07, in a possible \$550,000 deficit in student revenues and a shortfall of approximately \$390,000 in state aid. That slightly high projection of enrollment, off by less than 1.0%, has been carried forward into each of the

out-years of the current multi-year plan. Assuming this “flat” level of enrollment, the FY 07 tuition rate of \$3,310 would have to be increased to \$3,747 in FY 08; \$4,140 in FY 09; and \$4,585 in FY 10. If enrollment remains at the actual FY 06 level, these rates would have to be higher to achieve the revenue in the plan. However, 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 2006 is up by 2.79% over the fall of 2005.

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 \$2,500 for FY 08, with an annual \$50 increase in each of the following two years. The current rate of \$2,525 is \$25 per FTE higher than the rate assumed for 2008. If the New York State maintains this level of aid for another year, no growth in enrollment will be needed in 2007 to make the state aid budget in 2008 (which is based upon the previous year’s FTE count). The \$50 rate increases in the final two years of the plan are reasonable considering that over the last ten years the annual increase in the rate has averaged \$68 per FTE. Enrollment, beginning in 2008, will have to increase by approximately 160 FTE’s, or 0.9%, in order to make budget at the projected state aid rates for 2009 and 2010.

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 2006 level.
- The out-year amounts for the remaining revenue sources will likely be adjusted to conform to 2006 actuals and the adopted 2007 budget.

Factors that affect out-year expenses include:

- Out-year salaries are increasing by 5.2% in FY 08 and 4.8% in FY 09 and FY 10 reflecting contractual obligations including step increments and COLA increases.
- The Nassau Community College Federation of Teachers (NCCFT) contract will increase these salaries by 4.1% in FY 08, which includes the step increase and a 2.1% COLA. The contract expires at the end of FY 08, so this contract cost for FY 09 and FY 10 is unknown.
- The total Adjunct contract increases of 5.1% in FY 08 and 4.4% in FY 09 includes the step increases and 3.9% COLA increases.
- Civil Service Employees Association (CSEA) contract increases of 5.3% are assumed, which include the step increases and a 3.5% COLA increase.
- Fringe benefits are increasing 9.0% in FY 08, 10.0% in FY 09 and 9.0% in FY 10.
- The state retirement cost is assumed to stay at the current contribution rate and health insurance is projected to increase by about 13%.
- Total OTPS is expected to increase by 0.6% in FY 08, 2.5% in FY 09 and 5.6% in 2010. OTPS expenses are kept low due to the uncertainty of available funding.

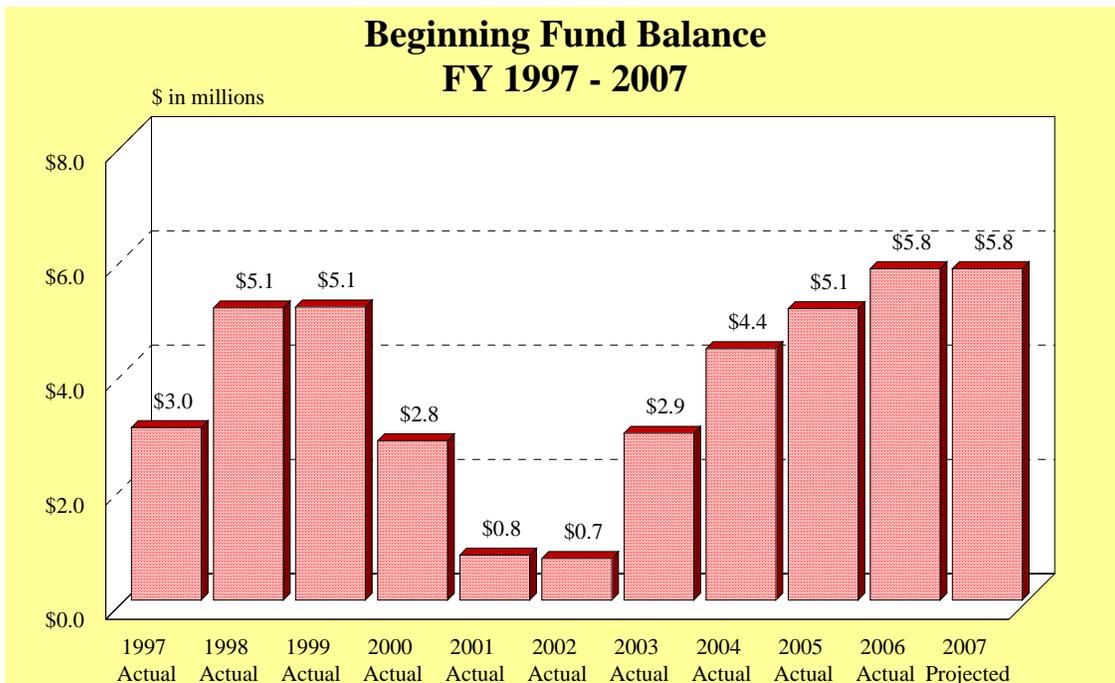
The increase in 2010 is due to the \$848,750 addition for Banner maintenance. Banner is the system the College is installing for their on-line student service transaction program. Currently costs associated with this are covered under a capital projects, but once it becomes active maintenance costs will have to come out of the operating budget.

**Fund Balance**

With its books not yet closed for 2006, the College is expecting to end the fiscal year with a fund balance of \$5.8 million, which is where it began (see Chart 9). That means that the FY 06 operating budget will have broken even, with total expenses equaling total revenues. A small surplus had been anticipated, but an unexpectedly large utility charge from TriGen may exhaust it. The College was hoping to reserve the surplus in termination pay to help fund what is likely to be a large retirement pool in FY 07 (due to the possibility of a State retirement incentive program). As much as is needed of the surplus termination funding can be dedicated towards the utility charge, which is still unresolved (the College is reviewing the billing records). Whatever is unused will go into the termination reserve, thereby insuring that the unreserved fund balance will remain at \$5.8 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 07 budget, would require approximately \$9.0 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.

Chart 9



**Student Enrollment by Community: Fall 2005**

COMMUNITY	NCC Enrollment	% of Total Enrollment
Albertson	65	0.31%
Amityville	3	0.01%
Atlantic Beach	23	0.11%
Baldwin	532	2.54%
Bayville	59	0.28%
Bellerose	17	0.08%
Bellmore (includes N. Bellmore)	465	2.22%
Bethpage	277	1.32%
Brookville	7	0.03%
Carle Place	83	0.40%
Cedarhurst	53	0.25%
Cove Neck	1	0.00%
East Hills	5	0.02%
East Meadow	598	2.85%
East Norwich	28	0.13%
East Rockaway	129	0.61%
East Williston	19	0.09%
Elmont	809	3.86%
Farmingdale (includes So Farmingdale)	255	1.22%
Floral Park (includes South Floral Park)	290	1.38%
Franklin Square	339	1.62%
Freeport	691	3.29%
Garden City (inc. Garden City Park and Garden City So)	260	1.24%
Glen Cove	295	1.41%
Glen Head	71	0.34%
Glenwood Landing	12	0.06%
Great Neck	156	0.74%
Greenvale	12	0.06%
Hempstead (inc. South Hempstead)	812	3.87%
Hewlett (inc. Hewlett Harbor and NK)	67	0.32%
Hicksville	585	2.79%
Inwood	124	0.59%
Island Park	123	0.59%
Jericho	69	0.33%
Kings Point	6	0.03%
Lake Success	4	0.02%
Lakeview	6	0.03%
Lattingtown	2	0.01%
Laurel Hollow	6	0.03%
Lawrence	41	0.20%
Levittown	728	3.47%
Lido Beach	22	0.10%
Locust Valley	67	0.32%
Long Beach	392	1.87%
Lynbrook	287	1.37%

COMMUNITY	NCC Enrollment	% of Total Enrollment
Malverne	102	0.49%
Manhasset	86	0.41%
Massapequa (includes Mass Park and No. Mass)	829	3.95%
Merrick (includes North Merrick)	434	2.07%
Mill Neck	7	0.03%
Mineola	235	1.12%
Muttontown	9	0.04%
New Cassel	1	0.00%
New Hyde Park	364	1.74%
North Hills	1	0.00%
Oceanside	450	2.15%
Old Bethpage	40	0.19%
Old Brookville (inc. Upper Brookville)	12	0.06%
Old Westbury	22	0.10%
Oyster Bay (includes Oyster Bay Cove)	73	0.35%
Plainedge	5	0.02%
Plainview	233	1.11%
Plandome	1	0.00%
Point Lookout	16	0.08%
Port Washington (includes P. Wash No)	225	1.07%
Rockville Centre	305	1.45%
Roosevelt	274	1.31%
Roslyn (includes Estates, Harbor, Heights)	146	0.70%
Sands Point	2	0.01%
Sea Cliff	35	0.17%
Seaford	283	1.35%
Searingtown	10	0.05%
Stewart Manor	18	0.09%
Syosset	170	0.81%
Uniondale	537	2.56%
Valley Stream (includes N. Valley Stream)	875	4.17%
Wantagh (inc N. Wantagh)	378	1.80%
West Hempstead	374	1.78%
Westbury	658	3.14%
Williston Park	108	0.51%
Woodbury	58	0.28%
Woodmere (inc N. Woodmere)	112	0.53%
<b>Total Nassau County</b>	<b>16383</b>	<b>78.09%</b>
<b>Suffolk County</b>	<b>1630</b>	<b>7.77%</b>
<b>Queens County</b>	<b>2600</b>	<b>12.39%</b>
<b>All Other</b>	<b>366</b>	<b>1.74%</b>
<b>Total All Students:</b>	<b>20979</b>	

SOURCE: NASSAU COMMUNITY COLLEGE OFFICE OF INSTITUTIONAL RESEARCH

**Proposed Full-Time Tuition Rates  
Community College FY 2006 - 07**

(as of June 1, 2006)

	<u>Approved</u>		<u>Proposed</u>	<u>Estimaed</u>	<u>%</u>
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>Increase</u>	<u>Change</u>
Adirondack	2,730	2,870	3,010	140	4.9%
Broome	2,690	2,814	2,914	100	3.6%
Cayuga County	2,900	2,900	3,200	300	10.3%
Clinton	2,940	3,020	3,120	100	3.3%
Columbia-Greene	2,688	2,832	2,976	144	5.1%
Corning	3,064	3,100	3,200	100	3.2%
Dutchess	2,500	2,600	2,700	100	3.8%
Erie	2,900	2,900	2,987	87	3.0%
Fashion Institute	2,900	3,074	3,074	0	0.0%
Finger Lakes	2,750	2,900	3,050	150	5.2%
Fulton-Montgomery	2,800	2,925	2,950	25	0.9%
Genesee	2,900	3,100	3,200	100	3.2%
Herkimer County	2,700	2,800	2,900	100	3.6%
Hudson Valley	2,600	2,700	2,700	0	0.0%
Jamestown	2,950	3,150	3,250	100	3.2%
Jefferson	2,722	2,928	2,928	0	0.0%
Mohawk Valley	2,850	2,950	3,100	150	5.1%
Monroe	2,600	2,600	2,700	100	3.8%
Nassau	2,900	3,140	3,310	170	5.4%
Niagara County	2,976	3,096	3,168	72	2.3%
North County	2,850	3,050	3,250	200	6.6%
Onondaga	3,090	3,180	3,210	30	0.9%
Orange County	2,700	2,900	3,000	100	3.4%
Rockland	2,600	2,800	2,800	0	0.0%
Schenectady County	2,590	2,750	2,820	70	2.5%
Suffolk County	2,890	2,990	3,100	110	3.7%
Sullivan County	2,900	3,000	3,200	200	6.7%
Tompkins-Cortland	2,950	3,100	3,100	0	0.0%
Ulster County	3,000	3,200	3,200	0	0.0%
Westchester	2,950	3,150	3,350	200	6.3%
<b>Average</b>	<b>2,819</b>	<b>2,951</b>	<b>3,049</b>	<b>98</b>	<b>3.3%</b>

**NASSAU COUNTY PUBLIC UTILITY AUTHORITY**

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

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

FY 06 was the first year that NCPUA became part of the adopted budget. Prior to FY 05, NCPUA had never been included within the operating budget of Nassau County until a supplemental appropriation was approved by the Legislature for \$2,183,993 of the same year. A separate special revenue fund was created for NCPUA, coded PUA, and the department code PU was established.

<b>REVENUE BUDGET</b>							
		<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BE	Investment Income	0	4,269	0	0	0	(4,269)
BH	Departmental Revenues	2,269,094	2,269,094	2,024,365	2,024,365	(244,729)	(244,729)
<b>Grand Total</b>		<b>\$2,269,094</b>	<b>\$2,273,363</b>	<b>\$2,024,365</b>	<b>\$2,024,365</b>	<b>(\$244,729)</b>	<b>(\$248,998)</b>

The New York Power Authority bills NCPUA monthly for the electrical usage of its seven customers. NCPUA passes on the cost of the energy plus an additional 4% administrative fee. The cost of the electricity to be supplied in FY 07 has been estimated at \$1,946,505. The actual rates will be set by NYPA. The 4% administrative charge will generate \$77,860, bringing the total of departmental revenues to \$2,024,365.

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 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
DD	General Expenses	\$2,183,921	\$2,181,821	\$1,947,605	\$1,947,605	(\$236,316)	(\$234,216)
DE	Contractual Services	43,871	0	29,298	29,298	(14,573)	29,298
HH	Interfund Charges	41,302	41,302	47,462	47,462	6,160	6,160
	<b>Grand Total</b>	<b>2,269,094</b>	<b>2,223,123</b>	<b>2,024,365</b>	<b>2,024,365</b>	<b>(244,729)</b>	<b>(198,758)</b>

In FY 06, contractual services funding of \$43,871 was supposed to be used to hire energy consultants to assist NCPUA with finding alternative sources of power that will allow the County's program to expand. The Authority does not expect to hire the consultants in FY 06 but does anticipate hiring consultants in FY 07. Therefore the proposed budget includes \$29,298 for FY 07 and our office is projecting no expenses in 2006.

The line for general expenses includes the estimated cost for the electrical power purchased by NCPUA, \$1,946,505, plus \$500 for office supplies, \$500 for travel, and \$100 for subscriptions. The travel money will be used for NCPUA representatives to meet with other counties participating in the program in order to form an alliance, and possibly to visit Albany in relation to legislative issues affecting the authority. The allocation for inter-fund charges, \$47,462, 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 State energy program in which NCPUA participates was slated to expire at the end of 2006, however, a six month extension was given and OHIA expects a subsequent six month extension. OHIA will attempt to address the possibility of the program ceasing by identifying an alternative energy source and developing an alliance or consortium with other New York counties in order to rescue the program.

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 6,000 acres of land which includes a total of 83 parks, preserves, museums and historic homes. The Parks department also conducts concerts and other events throughout the year.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	271	219	248	274	280	2%
Salaries	\$19,718,670	\$17,007,573	\$18,581,023	\$19,166,395	\$20,892,083	9.0%
Fringe Benefits	11,081,757	9,367,889	9,397,884	10,309,089	0	-100.0%
Misc OTPS	2,952,731	1,824,062	3,456,530	2,040,836	2,340,306	14.7%
Contractual Services	2,154,470	2,426,646	4,292,267	8,870,000	7,125,000	-19.7%
Debt Service Chargebacks	0	20,374,988	18,021,280	17,916,940	0	-100.0%
Inter Dept/Interfund Charges	23,283,620	15,657,258	15,261,685	17,897,683	0	-100.0%
Utilities	2,769,022	0	0	0	0	0.0%
<b>Total</b>	<b>\$61,960,270</b>	<b>\$66,658,416</b>	<b>\$69,010,669</b>	<b>\$76,200,943</b>	<b>\$30,357,389</b>	<b>-60.2%</b>

The chart above shows actual expenditures for the Parks Department since FY 03, with a projected amount for FY 06. Headcount and salaries decreased by 19.2% in FY 04 due to the redeployment of 46 Parks employees to the facilities management and fleet maintenance units within the Public Works Department. Since that time staffing has been increasing, beginning in FY 05 when 11 Public Works employees were moved back to Parks. Fringe benefits, which have grown along with the salaries and headcount, are not included in the proposed budget due to the planned consolidation of the Parks Department into the General Fund.

Utilities were budgeted on a separate line in FY 04, and afterwards were accounted for as interdepartmental/interfund charges.

Contractual services in FY 05 swelled by 77% or \$1.8 million. In that year Parks took over the \$650,000 tourism promotion contract from Planning. The FY 06 total includes the one-time \$5.0 million contract for support of the Museum of Fine Arts, and FY 07 includes the planned one-time \$3.1 million cost for the transfer of parklands and roads to the Town of North Hempstead.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$19,442,234	\$19,166,395	\$22,392,304	\$20,892,083	\$1,449,849	\$1,725,688
AB	Fringe Benefits	10,230,013	10,309,089	0	0	(10,230,013)	(10,309,089)
	<b>Total PS</b>	<b>29,672,247</b>	<b>29,475,484</b>	<b>22,392,304</b>	<b>20,892,083</b>	<b>(8,780,164)</b>	<b>(8,583,401)</b>
BB	Equipment	367,000	337,640	412,500	370,000	3,000	32,360
DD	General Expenses	1,851,300	1,703,196	2,002,800	1,970,306	119,006	267,110
DE	Contractual Services	8,870,000	8,870,000	5,425,000	7,125,000	(1,745,000)	(1,745,000)
	<b>Total OTPS</b>	<b>11,088,300</b>	<b>10,910,836</b>	<b>7,840,300</b>	<b>9,465,306</b>	<b>(1,622,994)</b>	<b>(1,445,530)</b>
HD	Debt Service Chargebacks	17,736,093	17,916,940	0	0	(17,736,093)	(17,916,940)
HF	Inter-Departmental Charges	17,897,683	17,897,683	0	0	(17,897,683)	(17,897,683)
	<b>Grand Total</b>	<b>\$76,394,323</b>	<b>\$76,200,943</b>	<b>\$30,232,604</b>	<b>\$30,357,389</b>	<b>(\$46,036,934)</b>	<b>(\$45,843,554)</b>

A major structural change in the proposed FY 07 budget is the consolidation of the Parks Fund and the Fire Fund into the General Fund. In the Budget Office’s “Summary of the 2007 Budget” the following rationale is offered:

There is no financial, legal, tax or accounting distinction between the Parks Department, Fire Commission and other County General Fund operating departments. Therefore, in order to accomplish the State Comptroller’s goals of maximizing flexibility, reducing complexity and improving efficiency, the Proposed 2007 Budget consolidates them into the General Fund. An added benefit will be that the Legislature will be able to approve the transfer of funds into these departments during the year, instead of having to wait until “month 13”. This consolidation will reduce unnecessary paperwork and processing of interfund chargebacks that require countless hours of time on the part of fiscal staff in the county.

Since it is proposed to move Parks out of its own fund and into the General Fund, several revenue and expenditure lines in the departmental budget that recorded budgetary transactions between funds are no longer necessary. This is the reason that the chart above is showing the proposed FY 07 Parks budget decreasing by \$46.0 million. Debt service chargebacks are utilized to show a fund’s portion of the debt service expense that is paid centrally out of the Debt Service Fund. As all General Fund Debt expense is budgeted in the General Fund Debt Service Department, the debt service chargeback line, \$17.7 million in the FY 06 budget, has been removed. Similarly, the fringe benefit costs of the departments within the General Fund are centrally budgeted in the General Fund Fringe Benefit Department, so they no longer need to be segregated in the Parks Fund (\$10.2 million in FY 06). Inter-departmental charges; which record the cost of services provided for one department on behalf of another (\$17.9 million for Parks in FY 06), have also been removed. Within the General Fund these charges are generally only budgeted in those departments that are eligible for a reimbursement of the cost.

Excluding those budgetary changes brought about by the General Fund consolidation, the proposed FY 07 Parks Department budget is actually decreasing by \$173,145, or 0.57%. That change is the net result of salaries increasing by \$1.4 million and OTPS being reduced by \$1.6 million. The decrease in OTPS results from the removal of the FY 06 \$5.0 million contractual services appropriation for the Roslyn Fine Arts museum. These funds represent a one-time expenditure by the County and will be used to build an extension on the existing structure. The details of this agreement are still being negotiated.

The proposed FY07 budget also contains a similar one-time contractual services expense for an agreement between the County and the Town of North Hempstead. The County would pay \$3.1 million and transfer the following parks to the town: Beacon Hill, Carle Place Vets Memorial, Plandome Park, Manhasset Valley Park, Whitney Pond Park, Sagamore Ballfield, Roslyn Road Park, Hempstead Harbor Park and Herricks Ballfield. In exchange, the town will invest \$5.0 million into these facilities over the next five years. The town will manage and maintain these assets and retain parking fees associated with the facilities.

Backing out the one-time expenditures in FY 06 and FY 07, contractual services funding will increase by 4.7% in the proposed budget. The Parks Department contracts out for such services as trash removal and maintenance. The other OTPS lines are increasing slightly, general expenses by \$119,000 and equipment by \$3,000.

The budget for salaries is increasing by 7.5% to \$20.9 million. This includes funding for 11 additional full-time positions and the steps and contractual salary adjustment for the Department's CSEA employees (3.5% as of January 1). Also budgeted higher for FY07 are the salary costs for seasonal and part-time employees, increasing by \$161,550, and termination leave, increasing by \$159,980. The overtime allocation has been reduced from \$355,000 to \$354,000. Based on recent history this amount appears to be insufficient. In FY 06, \$536,198 has already been spent, and in FY 05 the overtime spending reached \$988,499.

<b>EXPENSE BUDGET BY Control Center</b>						
<b>Control Center</b>	<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs Request</b>	
10 Administration	\$38,915,064	\$3,936,300	\$3,489,139	(\$35,425,925)	(\$447,161)	
20 Technical Service	7,455,113	8,771,196	8,470,080	1,014,967	(\$301,116)	
30 Recreation Services	5,928,827	6,692,517	9,458,814	3,529,987	\$2,766,297	
40 Museums	9,657,564	5,929,498	4,172,199	(5,485,365)	(\$1,757,299)	
61 Golf Operations	4,207,742	4,903,093	4,767,157	559,415	(\$135,936)	
<b>Total</b>	<b>\$66,164,310</b>	<b>\$30,232,604</b>	<b>\$30,357,389</b>	<b>(\$35,806,921)</b>	<b>\$124,785</b>	

The chart above shows the Parks budget by control center. The large decrease in Administration is due to the removal of interdepartmental charges and debt service chargebacks resulting from the

consolidation of Parks into the General Fund. Excluding those items, the Administration control center budget increased by 6.3%. Technical Service had its budget increased by 14% to \$8.5 million, largely for salaries and higher costs for existing contractual services. Recreation Services will increase by \$3.5 million, or 60%, due to the proposed \$3.1 million agreement with North Hempstead. The Museums allocation decreases by \$5.5 million with the removal of funding for the Roslyn Fine Arts Museum.

<b>Nassau County Parks &amp; Recreation Fund Staffing Analysis</b>							
	<u>FY 06</u>	<u>Sept-06</u>	<u>FY 07</u>	<u>FY 07</u>	<u>Exec. vs</u>	<u>Exec. vs</u>	
	<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>06 Adopt</u>	<u>Actual</u>	
<b>CC Full-time Staffing</b>							
10 Administration	30	38	42	36	6	(2)	
20 Technical Service	105	104	111	105	0	1	
30 Recreation Services	45	47	54	48	3	1	
40 Museums	43	36	53	41	(2)	5	
61 Golf Operations	46	49	52	50	4	1	
<b>Total Full-Time</b>	<b><u>269</u></b>	<b><u>274</u></b>	<b><u>312</u></b>	<b><u>280</u></b>	<b><u>11</u></b>	<b><u>6</u></b>	
<b>CC Part-time Staffing</b>							
10 Administration	17	9	9	9	(8)	0	
20 Technical Service	29	25	26	26	(3)	1	
30 Recreation Services	124	105	127	127	3	22	
40 Museums	45	43	46	46	1	3	
61 Golf Operations	13	12	18	18	5	6	
<b>Total Part-Time</b>	<b><u>228</u></b>	<b><u>194</u></b>	<b><u>226</u></b>	<b><u>226</u></b>	<b><u>(2)</u></b>	<b><u>32</u></b>	
<b>CC Seasonal Staffing</b>							
10 Administration	58	6	9	9	(49)	3	
20 Technical Service	14	16	34	27	13	11	
30 Recreation Services	369	335	379	371	2	36	
40 Museums	23	49	21	21	(2)	(28)	
61 Golf Operations	81	90	104	104	23	14	
<b>Total Seasonal</b>	<b><u>545</u></b>	<b><u>496</u></b>	<b><u>547</u></b>	<b><u>532</u></b>	<b><u>(13)</u></b>	<b><u>36</u></b>	

The proposed budget authorizes 280 full time positions. This represents an increase of eleven positions from the FY 06 adopted budget. Six positions were added to the Administration staff, three to Recreation services and four to Golf Operations, while Museums decreased by two. Part-time positions have been reduced by 2, to 226. Seasonal positions were cut by 13. As mentioned previously, the

funding for seasonals and part-time employees was increased slightly. Seasonal help will increase from \$3.0 million to \$3.1 million.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	0	3,075,000	*****
Fines & Forfeits	0	100	100	0	1,200	*****
Investment Income	706	45,854	430,640	400,000	0	-100.0%
Rents & Recoveries	1,231,881	1,119,217	1,209,939	1,416,300	1,557,000	9.9%
Department Revenues	13,645,776	14,097,539	15,079,916	17,106,874	20,615,861	20.5%
Interfund Transfer	3,804,594	7,623,296	2,904,814	5,000,000	0	-100.0%
Special Tax	192,499	195,084	1,091,680	2,437,500	875,000	-64.1%
Property Tax	43,084,813	43,577,327	48,293,581	51,167,929	0	-100.0%
<b>Total</b>	<b>\$61,960,269</b>	<b>\$66,658,416</b>	<b>\$69,010,670</b>	<b>\$77,528,603</b>	<b>\$26,124,061</b>	<b>-66.3%</b>

The chart above shows revenues realized for the Parks Department since FY 03, with a projected amount for FY 06. 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. Department revenues have been rising steadily during the period detailed

**Advertising, Market Based Revenue - \$1,000,000**

The goal of this initiative is to market various County assets, such as roadways, public buildings, vehicles, and recreation venues to generate new revenues and/or cost avoidance. Phase one will involve a vendor-assisted asset assessment and development of a policy for the acceptable use of the assets, e.g. that no tobacco advertising will be accepted. In phase two the opportunities will be solicited. Five responses have been received to the RFP, and two of the vendors will shortly be asked for a best and final offer. One of them will be awarded the contract by the end of October. It is anticipated that the contractual services cost of phase one will be approximately \$50,000 to \$100,000 and that the assessment can be completed in two to four months. The estimated, and budgeted, amount for FY 07 is \$1.0 million. Some of the assets being considered are:

Mitchel Field Naming Rights & signage	\$300,000-350,000
Aquatic Center Naming Rights & signage	\$300,000-350,000
Ice Rinks Signage	\$25,000 each rink
Lakeside Theatre Naming Rights	\$100,000-150,000

There are many ways to structure deals of this type. Weyerhaeuser, the corporate sponsor of the Weyerhaeuser King County Aquatic Center, which was built for the 1990 Seattle Goodwill Games, contributed land and \$500,000 to the project, in exchange for the permanent naming of the facility. One company has its logo on 6 of the pool's 16 starting blocks at an annual cost of \$2,166 per block. In 2005 the County received over \$600,000 for the use of its bus shelters for advertising purposes, and the contractor cleans and maintains the structures as well. One key to realizing the estimated revenue is to complete phase one as soon as possible.

**Parks Revenue Enhancement Plan - \$2,088,000**

As described by OMB, this initiative seeks to:

generate additional revenue, improve attendance, increase visibility, enhance recreational services and promote tourism. To achieve these objectives the County will focus on improving business processes such as accepting credit cards, engaging in target marketing to a wide range of audiences, actively soliciting grants, and seeking partnerships with the general public and civic groups, other municipalities, recreation industry professionals and employee unions to maximize the utilization and performance of selected facilities. The County will also seek to continue to competitively price its user fee structure to maximize attendance and improve the cost coverage of selected recreational programs.

During the second half of 2005, the firm of PFM was hired to conduct a review of the County’s recreation service fee structure. The study compared the County to local municipalities and privately-owned regional facilities. The revenue enhancement initiative was based on the information provided in PFM’s report. The chart below lists the amount of additional revenue planned to be generated in each programmatic area:

<b>Revenue Enhancements</b>	
<u>Area</u>	<u>Amount</u>
Leisure Pass	\$510,000
Golf	340,000
Beaches	301,000
Ice Rinks & Hockey	220,000
Athletic Fields	208,000
Aquatics	180,000
Camping	100,000
Parking Fees	60,000
Picnic Areas	59,000
Marinas & Boating	50,000
Family Entertainment	45,000
Room Rentals	15,000
	<u>\$2,088,000</u>

- The \$510,000 Leisure Pass component would raise the fees to obtain the various types of pass, with the increases ranging from \$15 to \$25. This would yield an additional \$480,000 on the 32,400 resident passes sold annually. Corporate, hotel, and non-resident pass fee increases would each generate \$10,000 annually. Nassau’s leisure pass fee is currently below those of Westchester and Suffolk counties.

<b>Municipality</b>	<b>Duration of Pass</b>		
	<b>(years)</b>	<b>Total Cost</b>	<b>Cost per Year</b>
New York State	1	\$59	\$59.0
Westchester County	3	\$45	\$15.0
Suffolk County (adult resident)	3	\$20	\$6.7
Nassau County	3	\$15	\$5.0
Average	3	\$35	\$11.6
Median	3	\$33	\$11.0

- The \$340,000 of enhanced revenue generated from golf involves various elements, such as pace of play increase, driving range specials, driving range advertisement, outing diversification and hotel guest leisure pass. Approximately \$200,000 is anticipated from the Pace of Play program, which aims to speed up play throughout the Red course during weekends by requiring the use of golf carts. This will allow more rounds to be completed. Driving ranges will offer daily ball specials during peak hours, and advertising will be placed on stall dividers, mats, and distance targets. The Department would also like to reduce some fees in hopes of promoting non-resident participation. Currently non-residents are charged higher fees for cart and green usage. According to the Parks Department, other facilities do not charge non-residents greater fees for both services. The cart fee for non-residents would be lowered to the same level as that for residents.
- Beaches will generate \$301,000, predominantly by building a new mini-golf course at Wantagh Park, which is estimated to generate revenues of \$250,000. Fees will be adjusted for cabanas, cabana locks, cabinettes, parking, season stickers, and buses.
- The ice rink at Cantiague Park will gradually transition to not-for profit management, and will increase hockey travel league fees.
- Athletic fields will adjust fees and scheduling for enhanced revenue of \$208,000. Sessions will be changed from 2 and 2 ¼ hour duration to 2 ½ hours, and the fee will be raised from \$15 to \$25.
- In the area of aquatics, various changes will raise \$180,000, including the expansion of membership categories and the rental of outdoor pools to swim teams and corporations, and birthday groups.
- Camping fees at Nickerson Beach will be adjusted for inflation, and a convenience store concession will be added.
- Other enhancements would take place at picnic areas and marinas. Family entertainment will be offered at various locations, and rooms will be rented for birthday parties.

Legislative approval will be required for most of these changes.

The second component of the initiative is to develop a strategic plan for the County's museums. This portion of the initiative focuses on controlling expense and increasing programming rather than revenue generation. The plan is expected by the end of the current year.

The third and final component is an operational review of the County golf courses. The National Golf Foundation has been brought in to assess the current operations of the golf courses. This has resulted in several suggestions aimed at improving golf services and aesthetics. The findings will be reviewed by the end of the current year.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>	
AA Fund Balance	\$0	\$0	\$0	\$3,075,000	\$3,075,000	\$3,075,000	
BD Fines & Forfeits	0	0	1,200	1,200	1,200	1,200	
BE Investment Income	250,000	400,000	0	0	(250,000)	(400,000)	
BF Rents & Recoveries	1,416,300	1,416,300	1,557,000	1,557,000	140,700	140,700	
BH Department Revenues	17,106,874	17,106,874	20,818,311	20,615,861	3,508,987	3,508,987	
IF Interfund Transfer	5,000,000	5,000,000	0	0	(5,000,000)	(5,000,000)	
TL Property Tax	51,167,929	51,167,929	0	0	(51,167,929)	(51,167,929)	
TX Special Tax	975,000	2,437,500	875,000	875,000	(100,000)	(1,562,500)	
<b>Grand Total</b>	<b>\$75,916,103</b>	<b>\$77,528,603</b>	<b>\$23,251,511</b>	<b>\$26,124,061</b>	<b>(\$49,792,042)</b>	<b>(\$51,404,542)</b>	

As was the case with expenses, the proposed FY 07 revenue budget has been restructured as a result of the General Fund consolidation. Investment income and property tax are accounted for elsewhere in the General Fund, and have been removed from the Parks Department’s budget. The FY 07 Executive Budget assumes a 20.5% increase in departmental revenues, from \$17.1 million to \$20.6 million. \$3.1 million of this \$3.5 million growth is related to the two revenue initiatives discussed above. The interfund transfer of \$5.0 million in FY 06 provided the one-time funding for the Roslyn Fine Arts Museum.

Special tax accounts for the Parks Department’s portion of the 3.0% tax on hotel/motel room rates. The tax has been extended through FY 07, and was amended by the State legislature to apportion Parks a greater share. The amount budgeted of \$875,000 represents one quarter of the \$3.5 million total receipts anticipated. This is to be utilized by Parks according to the previously mandated formula: 66.67% for a contract with a tourism agency, 21% for County programs related to the care, maintenance, and preservation of historic structures, sites, and natural areas, and 12.33% for the ongoing operation or program support of non-for profit museums and cultural organizations. The remaining three quarters of the gross formerly went to the Treasurer’s Office to be used for general County purposes. Under the new legislation, in FY 06, the remaining three quarters was split between Parks and Treasurer, and in FY 07 Parks will receive three quarters of the three quarters, or \$1,968,750. That amount, which has been budgeted in the Grant Fund so that the revenues can carry over from year to year, is to be used to improve the marketability of cultural and historic attractions in Nassau. The law specified that \$250,000 must be dedicated to provide assistance to the historically restored village of Old Bethpage and existing museums in Nassau County for the expenses of new program and exhibit development. A chart detailing the distribution of hotel/motel receipts is included in the appendix.

The budgeting of \$3.1 million of fund balance, which is a one-shot revenue derived from a prior year surplus, is being applied towards a one-shot expense, the transfer of parks to the Town of North Hempstead, and is therefore an acceptable use of such funds.

**Out Year Initiatives:**

<b>NAME</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Advertising Market Based Revenue	\$1,500,000	\$2,000,000	\$2,500,000

The **Advertising Market Based Revenue** initiative was discussed above. In addition to the additional revenue of \$1.0 million that has been incorporated into the FY 07 budget and baseline, this initiative is projected to grow by \$500,000 annually from FY 08 to FY 10.

**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 plans to work in partnership with TVPA to develop workshops for County judicial officials in order to better address the ticket dismissal rate. The Administration 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 expects to create a Disability Leadership Training Institute at no cost to the County. The project will consist of conducting multiple workshops throughout the year that will develop future leaders in physically challenged community. The workshops will be held at various college campuses throughout the County and will be taught by leading educators.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	6	7	7	7	0.0%
Salaries	\$309,942	\$273,609	\$322,525	\$354,326	\$354,326	0.0%
Misc OTPS	5,951	5,703	6,790	17,652	18,462	4.6%
Contractual Services	25,500	25,500	25,500	35,000	35,000	0.0%
<b>Total</b>	<b>\$341,393</b>	<b>\$304,812</b>	<b>\$354,815</b>	<b>\$406,978</b>	<b>\$407,788</b>	<b>0.2%</b>

In FY 04 the department had a 10.7% decrease in expenditure. Conversely in FY 05 the department seen an increase in expenditures of 16.4%. OLBR’s estimates an increase of 14.7 over FY 05 actuals. The proposed FY 07 budget is expected to be 0.2% higher than our office’s projection.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
AA	Salaries	341,736	\$354,326	\$354,326	\$354,326	\$12,590	\$0
BB	Equipment	2,067	1,092	2,067	1,902	(165)	810
DD	General Services Expenses	18,000	16,560	18,000	16,560	(1,440)	-
DE	Contractual Services	35,000	35,000	35,000	35,000	-	-
	<b>Total OTPS</b>	<b>55,067</b>	<b>52,652</b>	<b>55,067</b>	<b>53,462</b>	<b>(1,605)</b>	<b>810</b>
HF	Inter-Departmental Charges	282,014	255,751	0	139,365	(142,649)	(116,386)
	<b>Grand Total</b>	<b>\$678,817</b>	<b>\$662,729</b>	<b>\$409,393</b>	<b>\$547,153</b>	<b>(\$131,664)</b>	<b>(\$115,576)</b>

The FY 06 salaries budget for the Office for the Physically Challenged has been increased by \$12,590 or 3.7%. The increase is due to slight pay increases to current staff.

The OTPS FY 06 proposed budget will basically remain the same over the FY 06 budget. The major component of the OTPS FY 06 proposed budget is contractual services at \$35,000. The contractual services account is used to perform sensitivity and awareness seminars for Nassau County school districts. The proposed budget for general expenses decreased by \$1,440 or 8% when compared to the FY 06 budget. A large portion of the general expenses account is used to conduct the volunteer parking enforcement program. The department uses the funds allocated to this account to purchase cameras, film and other supplies related to the program. The remainder of the OTPS budget consists of regular office supplies, subscriptions to resource materials, and other general expenses incurred operating an office.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office for the Physically Challenged. The largest components of the department's inter-departmental charges are for building occupancy at a cost of \$38,944, information technology resources at \$43,483 and indirect charges at \$33,925. The Administration expects the charges to decline by \$142,649 when compared to the 2006 budget which it attributes to lower budgeted building occupancy costs. The department also made a one-time minor move from the second floor to first floor in the current year.

<b>Office for the Physically Challenged Staffing Analysis</b>							
	<b>FY 06 Adopted</b>	<b>Sept-06 Actual</b>	<b>FY 07 Request</b>	<b>FY 07 Executive</b>	<b>Exec. vs 06 Adopt</b>	<b>Exec. vs Actual</b>	
Full-time Staffing	7	7	7	7	0	0	

The department plans to maintain the current staffing levels.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$39,033	\$123,132	\$47,377	\$50,000	\$50,000	0.0%
Rents & Recoveries	250	250	1,250	0	0	0.0%
<b>Total</b>	<b>\$39,283</b>	<b>\$123,382</b>	<b>\$48,627</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>0.0%</b>

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted</b>	<b>OLBR</b>	<b>FY 07</b>	<b>FY 07</b>	<b>Variance</b>	<b>Variance</b>
	<b>FY 06</b>	<b>FY 06</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 06</b>	<b>FY 06 Proj.</b>
BD Fines and Forfeits	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$0
BJ Interdepartmental Revenues	600,000	600,000	0	407,788	(192,212)	(192,212)
<b>Grand Total</b>	<b>\$650,000</b>	<b>\$650,000</b>	<b>\$50,000</b>	<b>\$457,788</b>	<b>(\$192,212)</b>	<b>(\$192,212)</b>

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

PLANNING

Mandated by State law, the Nassau County Planning Commission guides the physical development of the County by promoting efficient and harmonious land use and sustainable economic development based on recommendations from the Planning Department staff. The Planning department is divided between 1) the Comprehensive Planning division, which is responsible for subdivision applications and 2) Transportation. The transportation division is charged by the Federal Transit Administration to exercise oversight over MTA Long Island Bus. Approximately 95.0%, or \$46.9 million of the FY 07 proposed budget of \$49.5 million is allocated to subsidize mass transportation. The preliminary 2007 budget for Long Island Bus indicates that inclusive of 1) Nassau County’s operating subsidy of \$10.5 million, 2) \$14.0 million from the MTA, and 3) \$48.9 million requested from the State, LI Bus may not have sufficient funding to cover their projected operating deficit of \$ 3.1 million.

Looking at the historical data of expenditures, the greatest variance appears in contractual services, which dipped in FY 5 and FY 07, followed by subsidies provided to Pt. Lookout/Lido which began in FY 05. Contractual services rose during FY 03 and FY 04 for contracts to promote tourism using funds from the Hotel/Motel tax. Salaries have increased at a pace to match full-time headcount and COLA increases.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	10	17	18	21	24	14.3%
Salaries	\$1,422,586	\$1,296,388	\$1,534,105	\$1,610,275	\$1,886,354	17.1%
Misc OTPS	18,881	115,989	60,070	91,672	98,737	7.7%
Contractual Services	3,198,914	2,896,833	984,000	1,347,500	502,500	-62.7%
Mass Transportation	41,478,124	41,214,474	45,172,998	46,096,566	46,926,304	1.8%
Pt Lookout/Lido	0	0	195,000	75,000	75,000	0.0%
<b>Total</b>	<b>\$46,118,505</b>	<b>\$45,523,684</b>	<b>\$47,946,173</b>	<b>\$49,221,013</b>	<b>\$49,488,895</b>	<b>0.5%</b>

The following chart details the Planning Department expense budget by object code. The FY 07 Planning department expense budget, excluding mass transit funding is increasing marginally by 0.5%. The expense increase is the result of a 10.1% salaries increase to fund three new full time employees, offset primarily by a decrease in contractual services. The decrease in the contractual services line reflects one-time costs of consultant services in FY 06 that were required to analyze various issues that arose from the County Executive’s 35 economic-development zone meetings. The line for the Point Lookout/LIDO Beach bus route has increased by \$15,000 from the budgeted FY 06 level and remained at \$75,000 from FY 06 projection.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
AA	Salaries	\$1,713,256	\$1,610,275	\$2,125,608	\$1,886,354	\$173,098	\$276,079
BB	Equipment	546	502	150	150	(396)	(352)
DD	General Expenses	114,031	91,170	182,174	98,587	(15,444)	7,417
DE	Contractual Services	1,347,500	1,347,500	1,018,500	502,500	(845,000)	(845,000)
MM	Mass Transportation	45,981,120	46,096,566	46,926,304	46,926,304	945,184	829,738
6H	Pt Lookout/LIDO	60,000	75,000	75,000	75,000	15,000	0
	<b>Total OTPS</b>	<b>47,503,197</b>	<b>47,610,738</b>	<b>48,202,128</b>	<b>47,602,541</b>	<b>99,344</b>	<b>(8,197)</b>
	<b>Grand Total</b>	<b>\$49,216,453</b>	<b>\$49,221,013</b>	<b>\$50,327,736</b>	<b>\$49,488,895</b>	<b>\$272,442</b>	<b>\$267,882</b>

The department’s expense budget, delineated by control center appears in the following chart. Nassau County is responsible for keeping the bus shelters free from deterioration and vandalism. Expenditures in the Mass Transportation control center, which amount to 95% of the FY 07 proposed budget, are rising by \$962,488 or 2.1% from the FY 06 adopted budget.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>	<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance From Exec. Vs. Adopted 06</b>	<b>Variance From Exec. Vs. To Request</b>	
10 Planning	\$3,152,597	\$3,301,432	\$2,467,591	(\$685,006)	(\$833,841)	
20 Bus Shelter Main- Cleaning	10,000	10,000	5,000	(5,000)	(5,000)	
35 Mass Transportation	46,053,856	47,016,304	47,016,304	962,448	0.0%	
<b>Total</b>	<b>\$49,216,453</b>	<b>\$50,327,736</b>	<b>\$49,488,895</b>	<b>\$272,442</b>	<b>(\$838,841)</b>	

As detailed in the chart below, the LIRR Station Maintenance subsidy, within the mass transportation control center, is increasing by the contractually agreed upon amount. As per the LIRR Station Maintenance contract, funding must increase annually by the CPI.

<b>Mass Transportation Control Center 35</b>				
		<b>FY 06 Budget</b>	<b>Executive FY 07</b>	<b>Difference</b>
<b>Mass Transportation (MM)</b>				
630	Metropolitan Suburban Bus Authority	\$7,500,000	\$7,500,000	\$0
631	LIRR Station Maintenance	23,897,328	24,842,512	945,184
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	12,736	15,000	2,264
<b>Other Expenses (OO)</b>				
6H	Lido Beach Bus Rte	60,000	75,000	15,000
<b>Total Mass Transportation CC 35</b>		<b>\$46,053,856</b>	<b>\$47,016,304</b>	<b>\$962,448</b>

All other mass transportation funding lines are being held constant at their FY 06 levels, which, according to LI Bus, is not adequate to meet their financial needs. Although energy costs are on the decline, fixed and para-transit ridership growth is expected to increase over the next two years by over 1.9 million passengers. This means that from the 31.5 million passengers in 2006, ridership is expected to increase by nearly 6% in 2006 to an annual combined total of more than 33.4 million passengers over the next two years. In addition, according to LI Bus, 1) an increase in health and welfare costs of \$1.9 million, or 14.7% due to rising health and retirement premium rates, 2) the annualized cost of 2006 service enhancements and 3) a general CPI increase in maintenance, labor and general operating expenses, account for the \$13.5 million requested assistance from Nassau County – a \$3.0 million increase over the \$10.5 million subsidy as per the County Executive’s 2007 proposed budget.

However, although Long Island Bus continues to project deficits in the out-years, these deficits are predicated on 1) State subsidies increasing by an average of 3% and 2) an average increase in Nassau County assistance by 22.6%. No increase in MTA subsidies have been projected over the next 4 years. The chart below depicts Long Island Bus’s FY 06 forecast and FY 07’s budget submission as of July 2007.

<b>LONG ISLAND BUS OPERATING BUDGET (Figures in Millions)</b>				
<b>Name</b>	<b>Mid-Year 2006 Forecast</b>	<b>2007 Preliminary Budget, July 2007</b>	<b>Variance between 2007 and 2006</b>	<b>Percentage Change between 2007 and 2006</b>
Opening Cash	\$2.221	\$0.711	(\$1.510)	-68.0%
<b>Receipts</b>				
Farebox Revenue	38.920	39.807	0.887	2.3%
Other Operating Revenue	3.748	3.249	(0.499)	-13.3%
Capital and Other Reimbursements	5.576	5.728	0.152	2.7%
<b>Total Receipts</b>	<b>48.244</b>	<b>48.784</b>	<b>0.540</b>	<b>1.1%</b>
<b>Expenses</b>				
Salaries	65.148	66.923	1.775	2.7%
Fringe	25.057	27.416	2.359	9.4%
Fuel for Buses and Trains	10.174	11.862	1.688	16.6%
Contracts	9.380	9.941	0.561	6.0%
Other Non-Labor	9.849	9.968	0.119	1.2%
<b>Total Expenses</b>	<b>119.608</b>	<b>126.110</b>	<b>2.055</b>	<b>1.7%</b>
<b>Net Cash Deficit</b>	<b>(69.143)</b>	<b>(76.615)</b>	<b>(1.880)</b>	<b>2.7%</b>
<b>Subsidies</b>				
MTA Subsidy	14.471	14.000	(0.471)	-3.3%
State Subsidy	44.883	48.937	4.054	9.0%
Nassau County Subsidy	10.500	10.500	0.000	0.0%
<b>Total Subsidies</b>	<b>69.854</b>	<b>73.437</b>	<b>3.583</b>	<b>5.1%</b>
<b>Net Surplus (Deficit)</b>	<b>\$0.711</b>	<b>(\$3.178)</b>	<b>(\$3.889)</b>	<b>-5.47%</b>

The preliminary FY 07, LI Bus expense budget is \$126.1 million, showing a net cash deficit of \$3.1 million. The \$10.5 million Nassau County subsidy, although beyond mandated amounts set by the State for transportation subsidies, falls short of the \$13.5 million requested by LI Bus by \$3.0 million. The result may be insufficient funding to meet the financial needs of LI Bus. Given that Nassau County is not the only funding source, it is hoped that LI Bus seeks additional funding from other sources, namely the State or the MTA.

Fixed route expenditures represent 89% of total LI Bus expenses and paratransit operations comprise 11% of total LI Bus expenses. Nassau's 2007 subsidy of fixed route operations will represent 6.6% of total fixed route revenue and its paratransit subsidy will comprise 27.0% of total paratransit revenues. The following chart details these percentages historically.

<b>Nassau County Funding of LI Bus</b>			
<b><u>Fixed Route Operations</u></b>			
	<b>LI Bus Total Revenues &amp; Subsidies</b>	<b>Nassau MSBA Subsidy</b>	<b>Nassau / LI Bus Revenues</b>
<b>2001</b>	74,200,000	7,853,000	10.6%
<b>2002</b>	76,275,000	5,852,980	7.7%
<b>2003</b>	84,892,000	3,853,000	4.5%
<b>2004</b>	86,120,000	2,961,000	3.4%
<b>2005</b>	87,051,000	7,500,000	8.6%
<b>2006</b>	104,946,057	7,500,000	7.1%
<b>2007</b>	114,010,457	7,500,000	6.6%
<b><u>Paratransit Operations</u></b>			
	<b>LI Bus Total Revenues &amp; Subsidies</b>	<b>Nassau Handicapped Subsidy</b>	<b>Nassau / LI Bus Revenues</b>
<b>2001</b>	7,273,000	3,458,000	47.5%
<b>2002</b>	8,090,000	4,458,000	55.1%
<b>2003</b>	8,763,000	4,458,000	50.9%
<b>2004</b>	10,059,000	3,000,000	29.8%
<b>2005</b>	8,481,000	3,000,000	35.4%
<b>2006</b>	10,941,943	3,000,000	27.4%
<b>2007</b>	11,107,543	3,000,000	27.0%

The proposed FY 07 budgeted headcount for the Planning Department adds three full-time positions. These are an Accounting Assistant I, an Assistant Commissioner for Cinema and TV, and a Community Services Representative. The salary line is sufficient to cover the costs of the 24 budgeted full-time employees and 14 budgeted part-time and seasonal employees.

<b>Planning Staffing Analysis</b>						
	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	21	21	27	24	3	3
Part-time and Seasonal	14	10	14	14	0	4

An historical snapshot reveals that revenues peaked during FY 04. That was the final year in which special tax revenue from the Hotel/Motel tax was accounted for in the Planning department. Also,

increased department revenues due to the sale of County GIS products rose during 2004. The \$1.1 million recorded in the Federal Aid line in FY 04 represents a reimbursement back to the General Fund for monies advanced toward the Federal Transit Capital Program in the Transportation control center. The departmental revenues line proposed in the FY 07 budget reflects the proposed application and filing fee increases for the subdivision of land.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$337,753	\$1,000,000	\$0	-100.0%
Rents & Recpveries	0	\$153,296	\$62,698	0	0	0.0%
Permits & Licenses	(13,700)	0	0	0	0	0.0%
Fines & Forfeits	0	0	0	30,000	30,000	0.0%
Department Revenues	943,322	1,318,797	1,433,294	1,095,500	1,295,500	18.3%
Interdepartmental Rev.	0	962,705	168,291	0	0	0.0%
Interfund Charges	0	0	0	0	12,000	*****
Special Taxes	611,231	621,952	0	0	0	0.0%
Federal Aid	560,681	1,145,754	395,812	519,588	191,814	-63.1%
Service Fees	26,316	25,370	9,573	0	0	0.0%
<b>Total</b>	<b>\$2,127,850</b>	<b>\$4,227,874</b>	<b>\$2,407,421</b>	<b>\$2,645,088</b>	<b>\$1,529,314</b>	<b>-42.2%</b>

Excluding a \$1.0 million fund balance in the FY 06 adopted budget, Planning department revenues are increasing by 23.8%, or \$293,814, including an increase in 1) Federal Aid of \$81,814, 2) interfund charges of \$12,000 and 3) an 18.3% rise in departmental revenues. The overall decrease of \$706,000 in the FY 07 budget from the adopted FY 06 budget is a function primarily of a \$1.0 million decrease in fund balance, which was provided to the Planning Department in 2006 to enable it to contract with consultants to study the issues raised during the County Executive’s meetings with the 35 economic development zones. The rise in departmental revenues of \$200,000 represents fee increases to reflect costs to administer services and regulatory programs for the subdivision of land, pending legislative approval.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>	
AA Fund Balance	\$1,000,000	\$1,000,000	\$0	\$0	(\$1,000,000)	(\$1,000,000)	
BD Fines & Forfeits	30,000	30,000	30,000	30,000	0	0	
BH Department Revenues	1,095,500	1,095,500	1,295,500	1,295,500	200,000	200,000	
BW Interfund Charges	0	0	12,000	12,000	12,000	12,000	
FA Federal Aid	110,000	519,588	191,814	191,814	81,814	(327,774)	
<b>Total</b>	<b>\$2,235,500</b>	<b>\$2,645,088</b>	<b>\$1,529,314</b>	<b>\$1,529,314</b>	<b>(\$706,186)</b>	<b>(\$1,115,774)</b>	

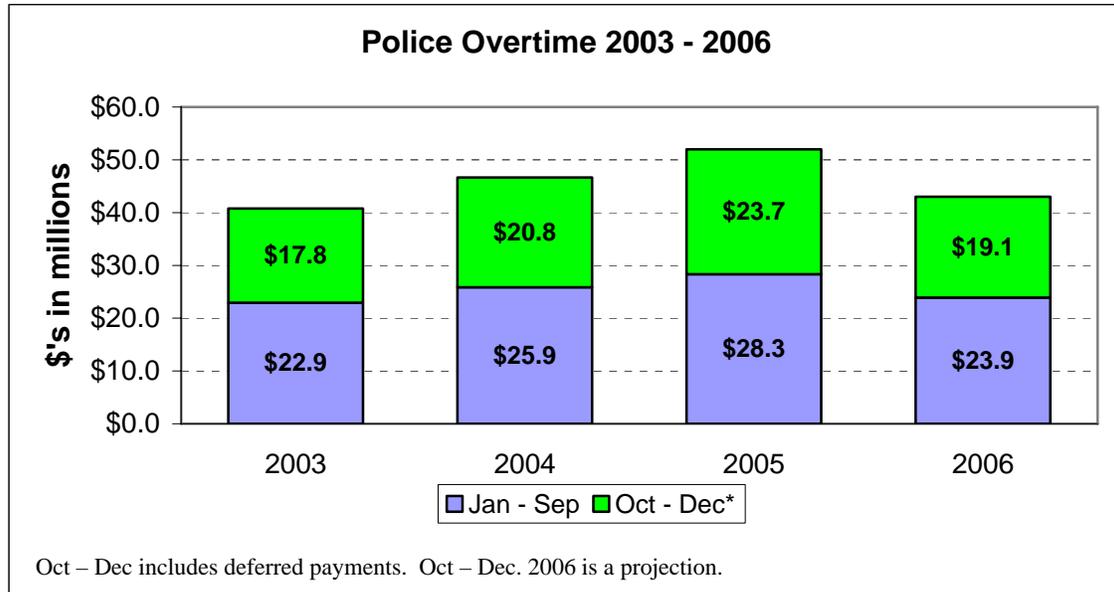
NASSAU COUNTY POLICE DEPARTMENT

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Since 2002, the Police Department has been struggling to contain escalating overtime costs. The major drivers of this expense were declining headcount and contractual constraints. Uniform headcount had been steadily decreasing in 2002 and 2003, which was in accordance with the Administration's plan to reduce overall staffing in the Department. That trend had been reversed beginning in July 2004 when the Department hired four new classes, for a total of 453 recruits, with the goal of reining in runaway overtime expense. It appears that the Department is on the road towards achieving that objective as evidenced by the current decline in total overtime hours and expense. When compared to the same time last year overall overtime hours are down by 14%. Although overtime expense is still high, the 2006 projection is approximately \$44 million, which is within range of the \$47.3 million overtime budget. This decline not only illustrates the Department's commitment to successfully manage resources more effectively through creative redeployment, it also demonstrates the importance of having a proper balance between overtime and the staffing level of the uniform force. The September 2006 headcount has increased by 10% when compared to 2005 numbers.

OLBR calculates a salary deficit in the proposed FY 07 budget for Police District Fund of about \$13.1 million and in the Headquarters Fund of about \$12.4 million. This does not include new sworn personnel hires for 2007, which would add about \$4.7 million to this shortfall. It also does not include funding for the 31 vacant civilian positions. However, when factoring in the \$4.1 million set aside in the Police District Fund, fringe savings (which will not be achieved without a contract), attrition savings and other possible surpluses within the funds, the total potential shortfall for both funds would be \$14.0 million (\$5.7 in Headquarters and \$8.3 in District). The potential deficit in the District Fund is especially problematic because as a special taxing district, funds cannot be transferred from the countywide General Fund or Police Headquarters Fund to offset this potential deficit.

As stated above the Department has hired 453 police officers since 2004. The number of uniform retirements for that same time period, including year to date, is 304, a net of 149 new police officers. Not only are these officers working at a lesser pay rate than veteran officers, but they, along with the veterans, also work an additional 48 hours at straight time plus for the first three years after they graduate, they work an extra 90 hours at straight time. As current overtime actuals demonstrate in the chart below, this and other initiatives, have had positive impacts on overtime costs. The 274 officers that were hired in 2005 had little, if any, impact on 2005 overtime due to the required seven months training. Once these officers were deployed into patrol overtime hours and expense started to decline. The Administration plans on hiring an additional 100 recruits when the new police academy is ready for occupancy and depending on attrition in 2007, possibly another 100 in November 2007. The former tenant of what will now be the police academy was delayed in vacating the building, therefore the fall 2006 hiring had to be postponed. The date for the new class has yet to be determined, but likely in early February. Based on the methodology used in OLBR's August 22, 2006 memo to the Legislature and the Administration, by hiring in 2007 the County saves \$3.2 million in 2007 alone. This reflects the difference in salary of an officer receiving \$34,000 for a year if hired in 2007 vs. an officer receiving \$44,360 for six months and \$64,865 for six months if hired in 2006. Although the officer hired on November 1, 2006 starts at \$23,000, without a new agreement in place, the salary would jump to \$44,360 on January 1, 2007. Through 2010 the total savings is \$6.1 million.



In addition to staffing, another driver of overtime costs is contractual constraints. Minimum manning coupled with a desire to reduce the headcount, has steadily increased the overtime expense. Efficient management, increased personnel and paying for certain types of overtime with grant funds have helped reduce some of these costs. However, contractual issues such as the memorialization of minimum manning in the 2003 PBA Arbitration Award impose constraints on overtime. The Administration intends to successfully negotiate concessions with the Patrolmen's Benevolent Association (PBA) and Detectives Association Inc (DAI), whose contracts expire December 31, 2006. The Administration has included in the 2007 Proposed Budget savings of \$18.9 million from the PBA and \$6.9 million from the DAI, although it is not clear how these savings will be achieved. Whether these goals are feasible is questionable. Given the strength the unions have shown in the previous years and the contentious relationship between the Administration and the unions it seems unrealistic to assume that the PBA and DAI will willingly give up some of the gains they have realized in a negotiated contract prior to the completion of FY 07. The Administration anticipates concessions on items such as pay raises, health insurance and a requirement for more work hours. It remains to be seen if and when these contracts will be negotiated or eventually arbitrated. Until this actually occurs the assumed baseline savings of \$25.8 million appear to be unreasonable.

The 2007 overtime budget is diminished by 13%, or \$7.15 million, from that of 2006. The District Attorney's greater emphasis on DWI intolerance will require more police overtime as a result of additional arrests and police officer appearances in court. Since the District Attorney has implemented a new "no plea bargaining" policy, defendants will now have to choose between the misdemeanor charge at the time of arrest or go to trial. Electing to go to trial will require a police officer presence and therefore, more overtime. With 20 additional funded positions, it appears the District Attorney will aggressively pursue these new policies which will impact police overtime. Unless this overtime falls under "special overtime initiatives", an additional \$1.5 million included in "other expenses", the 2007 overtime budget may be under-funded.

Termination pay in 2006 was budgeted at \$23.4 million and assumed 100 separations, about 15%, or \$4.0 million less than the prior year. To-date there have been 35 members from Headquarters and 12

members from District who have retired with an average payout of approximately \$231,000. Based on that average payout, the 2006 termination budget should generate a surplus of \$4.9 million for the current projected 80 separations. The 2007 termination budget assumes approximately 84 retirements and is budgeted at \$19.6 million. The Administration based this estimate on the recent decline in retirements. Without a negotiated contract in place, the Administration assumes there will be no provisions that would trigger a large number of separations. While this may be considered an aggressive assumption the County does have \$21.4 million in the Employee Accrued Liability Reserve Fund. This fund should only be accessed if retirements are above "normal" levels. More analysis is required to determine if 84 is within the "normal" and reasonable range.



In 2007 there will be approximately 288 sworn personnel who have 30 years or more, that will be eligible to retire.

<u>Union</u>	<u>2006 Adopted</u>	<u>Sept. Actuals</u>	<u>2007 Executive</u>	<u>2007 vs 2006</u>	<u>2007 vs Actuals</u>
<b>PBA</b>	1,903	1,831	1,903	0	72
<b>DAI</b>	425	394	425	0	31
<b>SOA</b>	422	416	422	0	6
<b>Subtotal</b>	<b>2,750</b>	<b>2,641</b>	<b>2,750</b>	<b>0</b>	<b>109</b>
<b>CSEA</b>	850	819	850	0	31
<b>ORD</b>	4	4	4	0	0
<b>Total</b>	<b>3,604</b>	<b>3,464</b>	<b>3,604</b>	<b>0</b>	<b>140</b>

As shown above, the 2007 Police Department union headcount is remaining flat with 2006 adopted numbers. When compared to September actuals all unions are increasing. Uniform headcount is up 4%, or 109, over September 2006 actuals. In 2006, the Department established a Gang Activity Unit to answer a growing gang problem and staffed it with 13 detectives and four supervisors. September actuals show that the detective division is down by about 8%, or 31 detectives, from both 2006 and 2007

budgeted headcounts. However, the Department has designated 33 detectives on September 25, 2006 and has promoted 10 police officers to sergeant. Of the 33 detectives, 29 came out of the District fund and four from Headquarter. The makeup of the new sergeants is as follows: five patrol officers from District, two patrol officers from Headquarters and three detectives from Headquarters. This will bring uniform headcount more in line with the budget. When the Administration hires the proposed 100 recruits in early 2007 sworn personnel will meet budgeted numbers. However, during the year, attrition will eventually create a shortfall from budgeted headcount.

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 07 budget and out-year baseline.

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

The lead department for this initiative is actually the County Executive's office. The Administration estimates that \$2.0 million in savings will be realized due to the lower rate from the 250 plus new officers, hired since late 2005, will be paid for overtime worked. It appears that this target could be achieved in 2007 given the assumption the additional 100 new recruits are slated to be hired in early 2007 and will be ready for deployment by late summer or early fall 2007. If there is a delay with the beginning of this new class, the savings from this initiative are questionable for 2007. If the Administration remains committed to keeping headcount at 2,750, savings in the out-years could be achieved.

**Ambulance Bureau Overtime - \$500,000**

The \$500,000 savings associated with this initiative is the result of the hiring 14 additional Advanced Medical Technicians (AMTs). Year to date overtime in the ambulance bureau is \$1.2 million. This is comparable to overtime (\$1.1 million) for the same time period in 2005. There were five less AMTs in 2005 than the 138 that are currently on board. The additional 14 will increase AMT headcount to above 2006 budgeted numbers. It is unclear if the remaining funded positions included in the 2007 budget will be filled. Any delays in hiring AMTs will put this initiative at risk.

Police Headquarters

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Sworn	945	959	960	977	1,019	4.3%
Full Time Civilian	619	650	688	726	747	2.9%
Salaries	\$180,746,539	\$171,694,913	\$193,764,685	\$210,719,294	\$201,902,928	-4.2%
Misc OTPS	4,687,981	4,801,781	9,137,704	6,579,843	6,886,807	4.7%
Contractual Services	5,701,297	6,725,774	6,044,830	7,010,987	7,431,042	6.0%
Intdept/Intfnd Chgs	34,971,852	26,018,817	27,067,534	23,741,889	26,467,423	11.5%
<b>Total</b>	<b>\$226,107,669</b>	<b>\$209,241,285</b>	<b>\$236,014,753</b>	<b>\$248,052,013</b>	<b>\$242,688,200</b>	<b>-2.2%</b>

The above historical expenditures chart illustrates the gradual rise in sworn and civilian headcount over the past four years. With the exception of 2004 all salaries and contractual services increased as well. The dip in 2004 is a reflection of the \$9.0 million reduction in interdepartmental charges from 2003 as well as a net \$9.0 million from police officer and detective salaries. The Administration had recently hired approximately 190 police officers during 2004. As a result salaries were paid at a lower rate. The rise in 2005's OTPS is a result of the police vehicle expenditure.

**HEADQUARTERS' EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
AA	Salaries	\$200,140,238	\$203,132,097	\$211,510,613	\$201,902,928	\$1,762,690	(\$1,229,169)
AB	Fringe Benefits	77,680,690	79,832,321	97,141,839	101,000,364	23,319,674	21,168,043
	<b>Total PS</b>	<b>277,820,928</b>	<b>282,964,418</b>	<b>308,652,452</b>	<b>302,903,292</b>	<b>25,082,364</b>	<b>19,938,874</b>
BB	Equipment	535,256	2,527,675	1,739,340	739,340	204,084	(1,788,335)
DD	General Expenses	3,013,500	3,113,500	3,221,667	3,316,667	303,167	203,167
DE	Contractual Services	7,010,987	7,010,987	7,431,042	7,431,042	420,055	420,055
DF	Utilities	2,100,000	2,100,000	2,200,800	2,080,800	(19,200)	(19,200)
OO	Other Expenses	250,000	250	250,000	750,000	500,000	749,750
	<b>Total OTPS</b>	<b>12,909,743</b>	<b>14,752,412</b>	<b>14,842,849</b>	<b>14,317,849</b>	<b>1,408,106</b>	<b>(434,563)</b>
HD	Debt Svc Chargebacks	3,134,003	5,217,906	3,070,581	3,070,581	(63,422)	(2,147,325)
HF	Inter-Dept. Charges	20,607,886	17,190,076	0	23,396,842	2,788,956	6,206,766
	<b>Grand Total</b>	<b>\$314,472,560</b>	<b>\$320,124,812</b>	<b>\$326,565,882</b>	<b>\$343,688,564</b>	<b>\$29,216,004</b>	<b>\$23,563,752</b>

Salaries in the Headquarters budget will increase slightly by about 1.0% in 2007, or approximately \$1.8 million over 2006, but when compared to FY 06 projections, there is a reduction of about 0.6%. It appears that there is adequate funding in the Headquarters budget for salaries in 2007 but on the off chance that a new contract is negotiated and approved, salaries could be insufficient. Overtime is also

decreasing by \$2.7 million, or 13% to \$17.7 million. If unforeseen events occur during 2007, the Administration has budgeted an additional \$500,000 in other expenses for special overtime initiatives. In 2005, similar funds were utilized for “Operation Cleansweep” which addressed a County-wide robbery issue. Fringe benefits are increasing from the FY 06 projected actual by \$21.2 million due to the increase in pension resulting from a full accounting in the FY 07 budget (including pension reserve), health insurance increases, Medicare reimbursement increases and miscellaneous items. In FY 06 the full pension cost was not reflected because part of it was paid from the Retirement Contribution Reserve Fund.

OTPS expense will grow slightly in 2007 compared to the adopted 2006 budget. The 38% increase in equipment is related to the replacement of horses that must be retired due to age, and updating technology and equipment required for the Police Laboratory, Crime Scene Lab and electronic surveillance. Contractual services is rising by 6% due to additional services such as a police entrance exam. OLBR’s \$2.5 million 2006 projection in the equipment line reflects the \$2.2 million purchase of police sedans in 2006, which had originally been intended to be prepaid in 2005. However, the purchase was not finalized in time. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Headquarters. Headquarters is responsible for paying for the Department of Assessment charges, information technology, purchasing, records management, workers’ comp, and other services. Current information suggests that the \$23.4 million may be understated by approximately \$1.3 million, but it is still under review by the Comptroller.

<b>POLICE HEADQUARTERS FUND</b>					
		<u>2007 Budget</u>	<u>2008 Plan</u>	<u>2009 Plan</u>	<u>2010 Plan</u>
<b>EXPENSE</b>					
AA	Salaries & Wages	\$201,902,928	\$207,579,704	\$216,702,954	\$226,227,384
AB	Fringe Benefits	101,000,364	101,426,216	108,723,854	116,026,487
	All Other Expense	40,785,272	37,910,299	38,109,003	38,310,856
<b>Expense Total</b>		<b>\$343,688,564</b>	<b>\$346,916,219</b>	<b>\$363,535,811</b>	<b>\$380,564,727</b>
<b>Revenue</b>					
TL	Property Tax	\$285,233,302	\$285,233,302	\$285,233,302	\$285,233,302
	All Other Revenue	58,455,262	58,386,835	59,675,423	61,028,360
<b>Revenue Total</b>		<b>\$343,688,564</b>	<b>\$343,620,137</b>	<b>\$344,908,725</b>	<b>\$346,261,662</b>

The table above demonstrates the Administration’s MYP baseline for the Headquarters Fund. Expenses will rise slightly in 2008 but as a result of a growth in salaries, they increase sharply in 2009 and 2010 while 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.

Police Headquarters Staffing Analysis						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs. 06 Adopt</u>	<u>Exec. vs. Actual</u>
Uniform	1,005	977	1,026	1,019	14	42
Civilian	<u>736</u>	<u>726</u>	<u>771</u>	<u>747</u>	<u>11</u>	<u>21</u>
Total Full-time	1,741	1,703	1,797	1,766	25	63
Part-time and Seasonal	42	45	74	58	16	13

FY 2007 uniform headcount is increasing by 14 from the 2006 budget and by 42 over September actuals. An additional 11 civilians will be funded in 2007 compared to 2006's budget, or an increase of 21 over September actuals.

The sub-object code civilian vacancies (CIV), established for the 2005 budget, will accommodate 9 civilian positions in the 2007 budget, the titles of which have yet to be identified. These positions which were in the 2006 budget are targeted for civilian titles which have not been agreed upon by the County and the PBA although it is encouraging to see that funding has been provided for the new hires. There is funding for an additional ten AMTs, four Police Service Aides, two IT Specialists and several other civilian positions which are increasing by one, such Public Information Officer, Programmer Analyst III NCC, Police Communications Operator Supervisor and Automotive Servicer among others. The additional four Police Service Aides reflect the Department's continued commitment to civilianization.

Historical Revenue						
	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Permits & Licenses	\$1,004,975	\$265,550	\$389,125	\$1,000,000	\$1,070,000	7.0%
Fines & Forfeitures	463,103	10,650	356	0	0	0.0%
Investment Income	22,428	101,139	133,964	121,053	125,290	3.5%
Rents & Recoveries	1,893,332	1,152,921	899,711	2,527,675	200,000	-92.1%
Departmental Revenue	13,269,909	14,252,569	15,349,919	14,929,000	15,908,874	6.6%
Capital Chargebacks	0	0	0	0	1,029,588	0.0%
Interdept/Interfnd	4,309,980	6,751,921	16,432,422	14,149,601	12,912,837	0.0%
Federal Aid	397,902	416,665	472,755	330,000	427,950	29.7%
State Aid	589,435	1,030,853	611,467	589,000	589,000	0.0%
Property Tax	252,173,389	239,070,905	252,897,540	258,049,976	285,233,302	10.5%
Special Tax	12,176,991	19,420,943	23,327,792	23,453,495	23,453,495	0.0%
<b>Total</b>	<b>\$286,301,444</b>	<b>\$282,474,116</b>	<b>\$310,515,051</b>	<b>\$315,149,800</b>	<b>\$340,950,336</b>	<b>8.2%</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. New to the budget this year is the object code capital chargebacks to reflect the reimbursement for expenses related to the Computer Aided Dispatch and the Interoperable Radios System.

<b>HEADQUARTERS' REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>	
BC Permits & Licenses	\$800,000	\$1,000,000	\$1,000,000	\$1,070,000	\$270,000	\$70,000	
BE Investment Income	121,053	121,053	125,290	125,290	4,237	4,237	
BF Rents & Recoveries	200,000	2,482,814	200,000	200,000	0	(2,282,814)	
BG Revenue Offset	2,072,960	0	1,441,888	1,441,888	(631,072)	1,441,888	
BH Department Revenue	14,879,000	14,929,000	15,177,000	15,908,874	1,029,874	979,874	
BI Cap Backcharges	0	0	0	1,029,588	1,029,588	1,029,588	
BJ Interdept. Revenue	13,977,076	14,149,601	0	12,912,837	(1,064,239)	(1,236,764)	
BW Interfnd Charges	0	0	1,296,340	1,296,340	1,296,340	1,296,340	
FA Federal Aid	330,000	330,000	427,950	427,950	97,950	97,950	
SA State Aid	589,000	589,000	589,000	589,000	0	0	
TL Property Tax	258,049,976	258,049,976	285,233,302	285,233,302	27,183,326	27,183,326	
TX Special Tax	23,453,495	23,453,495	23,453,495	23,453,495	0	0	
<b>Grand Total</b>	<b>\$314,472,560</b>	<b>\$315,104,939</b>	<b>\$328,944,265</b>	<b>\$343,688,564</b>	<b>\$29,216,004</b>	<b>\$28,583,625</b>	

The Headquarters Division obtains revenue through several sources. The 2007 revenue budget increases by about \$28.6 million, or 9.1%, over projected revenue in 2006. The main reasons for this increase are the \$27.2 million growth in property taxes, \$1.0 million hike in both departmental revenues and capital chargebacks and \$270,000 for permits and licenses. The \$1.0 million growth in departmental revenues reflects the Department's annual CPI growth to ambulance fee collections. The \$270,000 spike in permits and licenses reflects the cyclical nature for renewals of pistol licenses.

**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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$4,869,568	\$4,869,568	\$4,869,568	\$0	-100.0%
Permits & Licenses	1,761,774	1,939,706	1,508,088	1,680,000	1,792,000	6.7%
Fines & Forfeitures	261,413	200,166	101,856	100,000	109,700	9.7%
Investment Income	20,672	71,393	113,064	112,754	116,700	3.5%
Rents & Recoveries	630,504	870,702	255,664	150,000	150,000	0.0%
Department Revenues	2,869,572	3,109,789	3,101,091	3,530,039	3,187,826	-9.7%
Interdepart. Revenues	332,340	480,837	188,296	935,835	127,484	-86.4%
Nifa Aid	0	7,500,000	7,500,000	0	0	0.0%
State Aid	0	0	122,903	0	0	0.0%
Property Tax	299,978,568	301,296,571	309,306,781	333,627,075	329,699,768	-1.2%
<b>Total</b>	<b>\$305,854,843</b>	<b>\$320,338,732</b>	<b>\$327,067,311</b>	<b>\$345,005,271</b>	<b>\$335,183,478</b>	<b>-2.8%</b>

As the chart above indicates property tax is the single largest contributor to District revenue. 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. All revenue in 2007 will follow the historical trends except for the elimination of the fund balance that was included in 2004, 2005 and 2006 and the elimination of NIFA aid in 2004 and 2005. Interdepartmental revenues are declining by approximately \$800,000 in 2007.

<b>DISTRICT REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>	
AA Fund Balance	\$0	\$4,869,568	\$0	\$0	\$0	(\$4,869,568)	
BC Permits & Licenses	1,680,000	1,680,000	1,680,000	1,792,000	112,000	112,000	
BD Fines & Forfeitures	100,000	100,000	75,000	109,700	9,700	9,700	
BE Investment Income	112,754	112,754	116,700	116,700	3,946	3,946	
BF Rents & Recoveries	150,000	150,000	150,000	150,000	0	0	
BG Revenue Offsets	1,468,160	1,468,160	1,038,084	1,038,084	(430,076)	(430,076)	
BH Department Revenues	3,165,800	3,530,039	3,466,965	3,187,826	22,026	(342,213)	
BJ Interdepart. Revenues	935,835	935,835	0	127,484	(808,351)	(808,351)	
BW Interfund Charges	0	0	9,152,839	9,152,839	9,152,839	9,152,839	
TL Property Tax	333,627,075	333,627,075	329,699,768	329,699,768	(3,927,307)	(3,927,307)	
<b>Grand Total</b>	<b>\$341,239,624</b>	<b>\$346,473,431</b>	<b>\$345,379,356</b>	<b>\$345,374,401</b>	<b>\$4,134,777</b>	<b>(\$1,099,030)</b>	

The District Patrol 2007 revenue budget of \$345.4 million is \$4.1 million, or 1.2%, more than 2006's budget. The primary reason for this increase is \$9.2 million in interfund revenue, new to the budget this

year, is part of the \$26.4 million use of the Retirement Contribution Reserve Fund that is allocated as revenue in 2007. In FY 06 the use of \$7.4 million of the reserve was not reflected in the budget. Offsetting this rise is property tax, declining by \$3.9 million from last year. The Administration's explanation for the reduction is that District expenses will decline in 2007 as a result of successful overtime management initiatives and the assignment of 75% anticipated PBA labor savings. A quick look, though, at District's 2007 expenses shows that expenses are actually rising. The labor savings, as discussed previously, are doubtful since there is no negotiated contract in place.

<b>POLICE DISTRICT FUND</b>					
		<u>2007 Budget</u>	<u>2008 Plan</u>	<u>2009 Plan</u>	<u>2010 Plan</u>
<b>EXPENSE</b>					
AA	Salaries & Wages	205,902,271	205,293,399	214,245,325	223,587,778
AB	Fringe Benefits	108,216,266	111,652,502	119,419,085	124,952,724
	All Other Expense	31,255,864	31,306,693	31,463,122	31,584,639
<b>Expense Total</b>		<b>345,374,401</b>	<b>348,252,594</b>	<b>365,127,532</b>	<b>380,125,141</b>
<b>Revenue</b>					
TL	Property Tax	329,699,768	329,699,768	329,699,768	329,699,768
	All Other Revenue	15,674,633	6,525,295	6,528,300	6,531,380
<b>Revenue Total</b>		<b>345,374,401</b>	<b>336,225,063</b>	<b>336,228,068</b>	<b>336,231,148</b>

The table above demonstrates the Administration's baseline for the MYP. As revenues initially drop in 2008, 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 gradually grow from 2007 to 2008 but rise dramatically in the out-years as a result of salary increases.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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 Sworn	1,543	1,626	1,651	1,664	1,731	4.0%
Full Time Civilian	72	81	105	97	107	10.3%
Salaries	\$207,119,102	\$204,294,551	\$205,579,240	\$211,008,067	\$205,902,271	-2.4%
Misc OTPS	27,085,318	32,125,685	28,439,925	31,166,465	30,351,964	-2.6%
Contractual Services	905,036	755,234	620,048	806,563	903,900	12.1%
<b>Total</b>	<b>\$235,109,456</b>	<b>\$237,175,470</b>	<b>\$234,639,213</b>	<b>\$242,981,095</b>	<b>\$237,158,135</b>	<b>-2.4%</b>

Historically, salaries remain fairly constant with the exception of FY 06. The spike in 2006 reflects union raises. The drop in 2007 relates to a combination of factors including: the inclusion of the education stipend becoming part of the base pay for sworn members, \$900,000 less for differential pay than in 2006, \$4.5 million less for the overtime budget, budgeting for 14 less police service aides trainees for a value of about \$500,000 and the transfer of 14 SOA members into the Headquarters Fund. The Department needs these superior officers for the following units: 16 superior officers for Gang

Intelligence, six superior officers for the Administrative Inspection Unit, one superior officer to the Recruitment Drive Unit and one superior officer to the Commissioner's Office.

<b>DISTRICT EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
AA	Salaries	\$223,671,506	\$211,008,067	\$228,977,789	\$205,902,271	(\$17,769,235)	(\$5,105,796)
AB	Fringe Benefits	85,784,188	86,138,821	105,765,725	108,216,266	22,432,078	22,077,445
	<b>Total PS</b>	<b>309,455,694</b>	<b>297,146,888</b>	<b>334,743,514</b>	<b>314,118,537</b>	<b>4,662,843</b>	<b>16,971,649</b>
BB	Equipment	1,386,280	1,275,378	2,975,378	1,853,622	467,342	578,244
DD	General Expenses	3,678,802	3,978,802	5,045,343	4,360,343	681,541	381,541
DE	Contractual Services	806,563	896,563	903,900	903,900	97,337	7,337
DF	Utility Costs	1,605,845	1,605,845	1,682,926	1,682,926	77,081	77,081
OO	Other Expenses	450,000	450,000	450,000	1,450,000	1,000,000	1,000,000
	<b>Total OTPS</b>	<b>7,927,490</b>	<b>8,206,588</b>	<b>11,057,547</b>	<b>10,250,791</b>	<b>2,323,301</b>	<b>2,044,203</b>
HD	Debt Svc Chargebacks	745,754	0	196,518	196,518	(549,236)	196,518
HF	Inter-Dept. Charges	23,110,686	23,856,440	0	20,808,555	(2,302,131)	(3,047,885)
	<b>Grand Total</b>	<b>\$341,239,624</b>	<b>\$329,209,916</b>	<b>\$345,997,579</b>	<b>\$345,374,401</b>	<b>\$4,134,777</b>	<b>\$16,164,485</b>

The 2007 Executive budget for salaries declines by \$17.8 million, or 8%, compared to 2006 budget and decreases by \$5.1 million, or 2.4% from the 2006 projections. The \$12.7 million difference between 2006 Adopted and projected is a result of a \$5.5 million surplus in overtime, a \$1.4 million surplus in differential, a \$2.2 million surplus in termination pay, about a \$450,000 surplus for 13 vacant police service aide trainee positions and approximately \$3.0 million in vacant uniform positions. Fringe benefits are increasing from the FY 06 projected actual by \$22.1 million due to the increase in pension resulting from a full accounting in the FY 07 budget (including pension reserve), a \$4.1 million contingency reserve, health insurance increases, Medicare reimbursement increases and miscellaneous items. In FY 06 the full pension cost was not reflected because part of it was paid from the Retirement Contribution Reserve Fund.

The additional \$465,000 in the equipment line is for costs associated with addressing OSHA concerns for the Police Precincts and Police booths. Also, the \$680,000 in general expenses reflects the increase in energy costs for the purchase of gasoline. The \$1.0 million in other expense is for the special overtime initiative mentioned previously. Current information suggests that the \$20.8 million may be understated by approximately \$6.8 million, but it is still under review by the Comptroller.

**Police District  
Staffing Analysis**

	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Uniform	1,745	1,664	2,513	1,731	(14)	67
Civilian	<u>118</u>	<u>97</u>	<u>110</u>	<u>107</u>	<u>(11)</u>	<u>10</u>
Full-time Staffing	1,863	1,761	2,623	1,838	(25)	77
Part-time and Seasonal	459	432	463	463	4	31

The District's full time uniform staff is scheduled to increase by 67 over the September actuals but declines by 14 when compared to 2006 actuals. As stated previously, 14 SOA members will be transferring to Headquarters in 2007. The reduced funding for 13 police service aide trainees and two police automotive mechanics is partially offset by the addition of 5 police service aides. The 782 difference in headcount between the 2007 Executive budget and the 2007 request is based on a previous PBA agreement that mandates the Department to always request a minimum number of unfunded Police Officer positions. The Administration always recommends less than the number.

DEPARTMENT OF PROBATION

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

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

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

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

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

Salaries are decreasing from the FY 06 budget by \$41,483. This is due to the reduction of 14 full-time positions from the FY 06 budget as a result of the transfer of the second phase of the PINS diversion effort. In 2005 it was expected that Probation would provide all of the services related to this mandate, charging Social Services for the salaries where the State will reimburse the County for 65% of the cost. If the salaries were left in the Probation department, only about 20% would be reimbursable. It has since been decided that Social Services should perform Phase II services and Probation would continue to provide expanded intake services. Although the reduction in headcount was 14 from prior year's budget, the Department never hired up to budget. The Department's administration believes the reduction of nine positions from the September actual is about four more positions than they are

comfortable with and may result in higher investigation caseloads and more overtime utilization. The Office of Management and Budget has stated that they expect to hold headcount at the 2006 level in the out-years with 100% backfilling. About 40% of the Probation Officers and Supervisors will be eligible to retire by the end of 2006 since Probation Officers are eligible to retire after 25 years of service regardless of age. The Department’s administration believes any attrition over 10 annually (the historical average) will be problematic since it takes two years for a probation officer to complete training and maintain a full case load. A large attrition rate is anticipated if an early retirement incentive is offered next year. However, the Department is at its highest staffing level since 2002.

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

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

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

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

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

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

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

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

The agency generates department revenues primarily from charges to clients for supervision and other administration fees to defray the costs associated with their supervision. The budget for departmental revenues is budgeted to remain flat from 2006.

## 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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$396,255	\$396,583	\$395,761	\$420,102	\$430,084	2.4%
Misc OTPS	7,505	3,004	8,772	8,125	9,673	19.1%
Contractual Services	6,690	10,028	7,025	7,234	7,234	0.0%
<b>Total</b>	<b>\$410,450</b>	<b>\$409,615</b>	<b>\$411,558</b>	<b>\$435,461</b>	<b>\$446,991</b>	<b>2.6%</b>

Public Administrator's expense has increased slightly over the past few years as headcount remained constant. The jump in projected 2006 and the 2007 Executive relates to a change in composition of personnel. In 2006 a lesser paid Clerk Typist I was replaced by a higher salaried Administrative Assistant.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Executive vs Adopted 06</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$419,757	\$420,102	\$430,084	\$430,084	\$10,327	\$9,982
BB	Equipment	2,552	2,348	2,348	2,348	(204)	0
DD	General Expenses	6,203	5,777	7,325	7,325	1,122	1,548
DE	Contractual Services	7,234	7,234	7,234	7,234	0	0
	<b>Total OTPS</b>	<b>15,989</b>	<b>15,359</b>	<b>16,907</b>	<b>16,907</b>	<b>918</b>	<b>1,548</b>
	<b>Grand Total</b>	<b>\$435,746</b>	<b>\$435,461</b>	<b>\$446,991</b>	<b>\$446,991</b>	<b>\$11,245</b>	<b>\$11,530</b>

The FY 07 salaries budget will increase by \$9,982 or 2.5% over OLBR's FY 06 projection. This is a reflection of FY 07 COLAs that the seven full-time employees will receive.

Other than personal services remains close to the FY 06 budget at \$16,907 with a slight decline in equipment, approximately \$1,100 increase in general expenses and unchanged contractual services. A major portion of general expenses has been budgeted to obtain a General Bond to be in accordance with Surrogate Court Procedures Act Section 1203. The Administration has recently decided to move the

office of the Public Administrator to a location that has yet to be determined. Due to the size and unwieldy nature of the rolling file cabinets that are vital to the operation of the office, the Administration has decided not to move them. However, the cost of buying new ones, as has been suggested, in addition to the move itself, will overburden an already meager OTPS budget. Since one file cabinet costs between \$250.00 to \$500.00, and if 10 to 20 file cabinets are needed, as the department estimates, the equipment line is insufficiently funded. The \$7,234 budgeted in contractual services is to cover an annual audit conducted by an outside accounting firm and remains unchanged from 2006.

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 and has been requested by the department for the past several years. Currently the department relies on excel spreadsheets and does not have the proper internal controls that the software could provide. The department also hopes that, with the software, it will be able to process reimbursements to the Department of Social Services more proficiently. The assets of the individuals who die intestate and who have been receiving public benefits can be recovered by the Department of Social Services.

<b>Public Administrator Staffing Analysis</b>						
	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	7	7	7	7	0	0

Budgeted full-time headcount remains unchanged at seven in FY 07.

<b>Historical Revenue</b>						
	<b><u>FY 03 Actual</u></b>	<b><u>FY 04 Actual</u></b>	<b><u>FY 05 Actual</u></b>	<b><u>FY 06 Projected</u></b>	<b><u>FY 07 Exec.</u></b>	<b><u>% Change Proj./Exec.</u></b>
Rents & Recoveries	\$0	\$0	\$441	\$232	\$0	-100.0%
Departmental Revenue	215,727	235,163	329,364	327,854	327,854	0.0%
<b>Total</b>	<b>\$215,727</b>	<b>\$235,163</b>	<b>\$329,805</b>	<b>\$328,086</b>	<b>\$327,854</b>	<b>-0.1%</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 administrates; therefore revenue can be difficult to project.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BF Rents & Recoveries	\$0	\$232	\$0	\$0	\$0	(\$232)
BH Department Revenues	327,854	327,854	327,854	327,854	0	0
<b>Grand Total</b>	<b>\$327,854</b>	<b>\$328,086</b>	<b>\$327,854</b>	<b>\$327,854</b>	<b>\$0</b>	<b>(\$232)</b>

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 approximately \$257,628 has been collected in revenue through September. For FY 05 the department earned \$329,364 in revenue for the year. The department anticipates a similar amount of revenue in FY 07.

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**DEPARTMENT OF PUBLIC WORKS (GENERAL FUND)**


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The Department of Public Works serves Nassau County's citizens and business community by being committed to effectively and efficiently providing for the continuous improvement of the County's infrastructure, protecting the environment and providing a community that is safe and enjoyable to live and work in.

<b>Historical Expenditures</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	524	552	529	506	533	5.3%
Salaries	\$30,663,595	\$33,178,473	\$35,018,386	\$33,634,243	\$36,054,577	7.2%
Misc OTPS	3,470,162	5,449,180	5,055,295	5,660,210	5,567,780	-1.6%
Contractual Services	15,762,136	8,432,701	7,708,122	7,909,580	7,361,474	-6.9%
Utility Costs	19,925,841	23,550,459	28,616,394	31,507,839	33,772,201	7.2%
Interdept / Interfund Charges	279,935	4,146,811	1,966,800	5,034,950	6,217,358	23.5%
<b>Total</b>	<b>\$70,101,668</b>	<b>\$74,757,625</b>	<b>\$78,364,998</b>	<b>\$83,746,822</b>	<b>\$88,973,390</b>	<b>6.2%</b>

The chart above reflects historical expenses from FY 03 to FY 07. In FY 06, headcount hit a four year low at 506 full-time positions. The Department of Public Works (DPW) continues to lose more employees than can be replaced. The Department has had difficulty recruiting candidates due to the low starting salaries and the Nassau County residency requirement. DPW has not been impacted by the hiring freeze due to their critical hiring needs.

As shown above, utility costs have significantly increased each year since FY 03 due to rising energy consumption and electricity costs. Contractual services have decreased since FY 03 while miscellaneous OTPS expenses have remain steady since FY 04. Inter-departmental and inter-fund charges continue to increase as the County significantly increases the centralized functions within the County, particularly in the area of legal services, facilities management, fleet services and public safety. As centralized shared services are expanded, both interdepartmental charges and consequently interdepartmental revenues will increase.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted 06	Variance Executive vs FY 06 Proj.
AA	Salaries	\$36,306,496	\$33,634,243	\$37,010,001	\$36,054,577	(\$251,919)	\$2,420,334
BB	Equipment	351,319	329,210	326,064	308,414	(42,905)	(20,796)
DD	General Expenses	4,813,753	5,331,000	5,263,366	5,259,366	445,613	(71,634)
DE	Contractual Services	7,909,580	7,909,580	8,525,474	7,361,474	(548,106)	(548,106)
DF	Utility Costs	25,299,239	31,507,839	32,215,947	33,772,201	8,472,962	2,264,362
	<b>Total OTPS</b>	<b>38,373,891</b>	<b>45,077,629</b>	<b>46,330,851</b>	<b>46,701,455</b>	<b>8,327,564</b>	<b>1,623,826</b>
HF	Inter-Dept. Charges	5,034,950	5,034,950	0	6,217,358	1,182,408	1,182,408
	<b>Grand Total</b>	<b>\$79,715,337</b>	<b>\$83,746,822</b>	<b>\$83,340,852</b>	<b>\$88,973,390</b>	<b>\$9,258,053</b>	<b>\$5,226,568</b>

As shown in the expenditure chart above, the FY 07 budget is increasing by \$9.3 million or 11.6% from \$79.7 million in FY 06 to \$89.0 million in FY 07. The FY 07 salary budget is decreasing by \$252,000 from the FY 06 budget, this is due to a decrease of seven full-time positions from the FY 06 budget. The FY 07 budget includes a 3.5% CSEA contractual salary increase as well as an additional \$264,000 in overtime. The FY 06 projection is \$33.6 million or \$2.4 million under the FY 07 budget due to an increase of 27 full-time positions from the September actual.

Other than personal services are increasing by 21.7% due primarily to utility costs. The FY 07 budget for utility costs is increasing by \$8.5 million due to the increased cost of oil, fuel and natural gas. The budget also includes the first 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 distinct period. Due to an understated budget, the rise in energy consumption and energy rate increases, the FY 06 projection for utility costs is \$6.2 million over budget.

Within utility costs there is \$7.1 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 it 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. The FY 06 projection for Trig-Gen is \$1.7 million over budget.

General expenses are increasing 9% mostly due to gasoline costs and motor vehicle supplies for Fleet Management. In FY 07 Fleet Management will be assuming over 200 additional vehicles of which 77 are from the District Attorney's Office, 55 are from the Fire Commission and 80 are from Drainage.

The FY 06 budget of \$4.8 million is projected to fall short due to the surge in fuel costs this past summer. The FY 06 projection for general expenses is \$5.3 million or \$517,000 over budget.

For FY 07, the department’s contractual expenses are decreasing by \$548,106 or 6.9%. Of this amount \$750,000 is attributed the County’s 800 MHz radio communications services contract that has been transferred from Public Works to the Correctional Center.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Public Works. Interdepartmental charges are increasing due to \$1.5 million in building occupancy charges and \$2.2 million for indirect charges which is offset by the elimination of \$2.6 million in charges to Police Headquarters for the Building Maintenance Unit. This charge has been eliminated from the FY 07 budget. Other interdepartmental charges include fleet maintenance charges, and gasoline charges.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs. Request</b>
00	Administration	\$4,503,317	\$3,677,195	\$3,677,195	(\$826,122)	\$0
01	Engineering	18,022,566	19,344,884	18,644,803	622,237	(700,081)
02	Operations	52,310,203	55,364,443	59,141,689	6,831,486	3,777,246
03	Fleet Management	4,879,251	4,954,330	7,509,703	2,630,452	2,555,373
<b>Total</b>		<b>\$79,715,337</b>	<b>\$83,340,852</b>	<b>\$88,973,390</b>	<b>\$9,258,053</b>	<b>\$5,632,538</b>

The Department of Public Works includes four control centers: Administration, Engineering, Operations and Fleet Management. Operations, Engineering and Fleet Management are increasing while Administration is decreasing from the FY 06 budget. The biggest increase is located in Operations which is growing by \$6.8 million due to utility costs. The decrease in Administration is mostly due to contractual services as previously discussed. Fleet Management is increasing by 53.9% due to increased maintenance and fuel costs from the takeover of additional fleet vehicles.

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

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

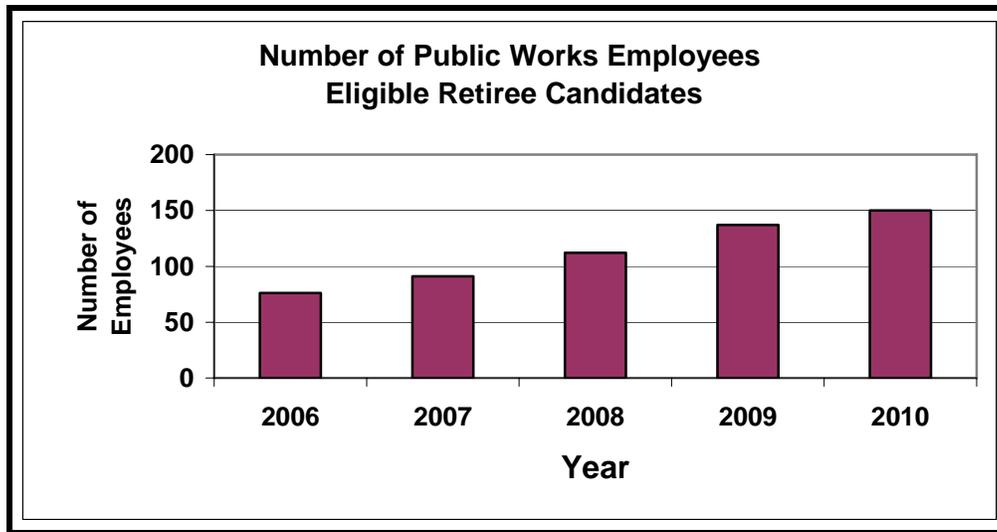
Fleet Management (labeled Groundwater Remediation in the budget book) includes the maintenance costs for the County’s Fleet vehicles.

<b>Department of Public Works Staffing Analysis</b>						
	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
<b>CC Full-time Staffing</b>						
00 Administration	47	45	46	46	(1)	1
01 Engineering	156	142	153	153	(3)	11
02 Operations	301	285	311	300	(1)	15
03 Fleet Management	36	34	34	34	(2)	0
<b>Total Full-time</b>	<b><u>540</u></b>	<b><u>506</u></b>	<b><u>544</u></b>	<b><u>533</u></b>	<b><u>(7)</u></b>	<b><u>27</u></b>
<b>CC Part-time and Seasonal</b>						
00 Administration	28	12	36	36	8	24
01 Engineering	0	8	0	0	0	(8)
02 Operations	151	102	58	140	(11)	38
03 Fleet Management	10	7	8	8	(2)	1
<b>Total Part-time and Seasonal</b>	<b><u>189</u></b>	<b><u>129</u></b>	<b><u>102</u></b>	<b><u>184</u></b>	<b><u>(5)</u></b>	<b><u>55</u></b>

As seen in the above chart, full-time staffing in Public Works is decreasing by 7 positions from 540 in the FY 06 budget to 533 in FY 07. The proposed FY 07 Budget includes 27 positions more than the September 1<sup>st</sup> heacount level. Significant vacancy titles include 7 Equipment Operators and 6 Boiler Room Helpers. Since September 1, 2006 the Department has hired two Equipment Operators and a Secretary to the Commissioner

Part-time and seasonal positions are decreasing by five positions which is the net of 8 additions to the Administration’s budget offset by a decrease of 11 positions in Operations and two positions in Fleet Management. There are 140 seasonal positions under Operations. The seasonal positions are responsible for maintaining the roads by cleaning out the catch basins, mowing the surrounding grass, and fixing potholes. The budget also includes 25 seasonal positions under the Administration’s control center to handle clerical tasks.

Additionally, DPW continues to operate with a staff that has significant years of service, many of whom are close to retirement. The chart below graphs the number of eligible retiree candidates from FY 06 to FY 10.



As shown in the chart above, each year the number of employees eligible to retire increases. Out of the current 506 full-time headcount, 15% of employees are eligible to retire in 2006, 18% in 2007, 22.1% in 2008, 27.1% in 2009 and 29.6% in 2010.

Historical Revenue						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Permits & Licenses	\$497,249	\$235,345	\$339,650	\$200,000	\$182,000	(\$0)
Rents & Recoveries	72,445	333,064	717,191	72,211	0	-100.0%
Department Revenues	701,878	888,722	1,450,496	1,000,000	941,017	-5.9%
Capital Backcharges	3,185,324	2,548,186	5,153,471	4,570,240	4,743,909	3.8%
Interdept / Interfund Rev.	9,936,886	20,788,974	21,298,955	24,044,974	18,610,692	-22.6%
Federal Aid	0	415,685	0	440,000	440,000	0.0%
State Aid	370,927	0	362,285	0	55,000	*****
<b>Total</b>	<b>\$14,764,708</b>	<b>\$25,209,975</b>	<b>\$29,322,048</b>	<b>\$30,327,425</b>	<b>\$24,972,618</b>	<b>-17.7%</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 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BC	Permits and Licenses	\$182,000	\$200,000	\$182,000	\$182,000	\$0	(\$18,000)
BF	Rents & Recoveries	0	72,211	0	0	0	(72,211)
BH	Department Revenues	865,000	1,000,000	865,000	941,017	76,017	(58,983)
BI	Capital Backcharges	4,570,240	4,570,240	4,743,909	4,743,909	173,669	173,669
BJ	Interdepartmental Revenues	15,644,974	15,644,974	0	10,310,692	(5,334,282)	(5,334,282)
BW	Interfund Charges Revenue	7,000,000	8,400,000	0	8,300,000	1,300,000	(100,000)
FA	Federal Aid - Reimbursable	440,000	440,000	440,000	440,000	0	0
SA	State Aid - Reimbursable	0	0	55,000	55,000	55,000	55,000
<b>Grand Total</b>		<b>\$28,702,214</b>	<b>\$30,327,425</b>	<b>\$6,285,909</b>	<b>\$24,972,618</b>	<b>(\$3,729,596)</b>	<b>(\$5,354,807)</b>

The FY 07 revenue budget for the department is decreasing significantly by \$3.7 million from \$28.7 million in FY 06 to \$25.0 million. When compared to the FY 06 projection, the FY 07 revenue budget is decreasing by \$5.4 million. The FY 07 budget of \$8.3 million for inter-fund charges includes revenue from Nassau Community College for utility costs paid by the Public Works Department. Revenue is increasing \$1.3 million due to rising utility costs at the College.

The FY 07 budget for interdepartmental revenues is \$10.3 million which is a \$5.3 million decrease from \$15.6 million in FY 06. Due to the consolidation of the County Parks and Find Commission Fund into the General Fund, DPW will no longer capture interdepartmental revenue from those funds. Revenue that the department will receive includes building occupancy, fleet maintenance and gasoline charges from other General Fund departments.

Department revenue includes fees for subdivision plan reviews, 239-K reviews, subdivision plan review, subdivision drainage waivers, plans, adopt-a-highway program and miscellaneous receipts. Subdivision plans review includes fees charged to review the development of land parcels to insure developments meet specific standards. Revenue collected under 239-K reviews 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. Under subdivision drainage waivers, the department conducts site plan reviews to ensure subdivisions developments meet the established DPW requirements for street grading and drainage. Plans include revenue received annually from the sale of contract plans and books to perspective bidders on various DPW contracts. A portion of the revenue increase is attributed to proposed legislation to adjust Public Works fees bi-annually by the Consumer Price Index (CPI).

Capital back-charges are increasing by \$174,000 in FY 07. Capital back-charges are created from operating costs related to capital project planning. These costs incurred from capital related projects are charge backed to the appropriate capital project in order to match the useful life of the asset with the true costs incurred.

The FY 07 revenue budget for federal aid is for one of the traffic maintenance contracts (traffic computer maintenance). The department is eligible for 80% reimbursement of the amount spent on the contract. The contract is budgeted for \$550,000.

The State aid budget of \$55,000 includes reimbursement from the State for mosquito control and surveillance. The FY 06 budget is reflected in the sewer and stormwater resource district.

**Out-Year Initiatives**

<b>NAME</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Energy Efficiency Improvements Program	\$460,000	\$2,128,260	\$1,092,255

The Energy Efficiency Improvements initiative anticipates savings of \$460,000 in FY 08, \$2.1 million in FY 09 and \$1.1 million in FY 10. The County intends to engage services of an Energy Services Company to develop and implement a comprehensive energy management, retrofit program and to provide necessary design concepts, engineering services, project financing, turnkey implementation and ongoing operational support and training required to implement the program. This initiative is separate from improvements provided by New York Power Authority (NYPA) through its Energy Service Program which only provides improvements to a few buildings within the County. Given that the County has not significantly reduced utility consumption despite the current energy service program in place, this initiative appears overly aggressive.

## 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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	23	22	23	24	4.3%
Salaries	\$1,272,083	\$1,275,361	\$1,322,147	\$1,424,664	\$1,634,329	14.7%
Misc OTPS	16,313	24,626	11,006	32,706	32,650	-0.2%
Contractual Services	0	0	93,000	93,363	164,500	76.2%
<b>Total</b>	<b>\$1,288,396</b>	<b>\$1,299,987</b>	<b>\$1,426,153</b>	<b>\$1,550,733</b>	<b>\$1,831,479</b>	<b>18.1%</b>

The chart above shows actual expenditures for the Purchasing Department since FY 03, with a projected amount for FY 06. The agency has maintained a fairly steady staffing and salaries level. Increases were 3.7% and 7.8% in 2005 and 2006 respectively. The use of contractual services has increased since FY 05 due to several IT related initiatives.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Executive vs Adopted</b>	<b>Executive vs FY 06 Proj.</b>
AA	Salaries	\$1,429,463	\$1,424,664	\$1,634,329	\$1,634,329	\$204,866	\$209,665
BB	Equipment	2,300	2,116	2,100	2,100	(200)	(16)
DD	General Expenses	33,250	30,590	30,550	30,550	(2,700)	(40)
DE	Contractual Services	93,363	93,363	164,500	164,500	71,137	71,137
	<b>Total OTPS</b>	128,913	126,069	197,150	197,150	68,237	71,081
HF	Inter-Departmental Charges	237,588	0	0	267,533	29,945	267,533
	<b>Grand Total</b>	<b>\$1,795,964</b>	<b>\$1,550,733</b>	<b>\$1,831,479</b>	<b>\$2,099,012</b>	<b>\$303,048</b>	<b>\$548,279</b>

The proposed FY 07 budget for the Purchasing Department, less inter-departmental charges, is an increase of \$273,103, or 17.5% over the FY 06 Adopted Budget. Most of the additional amount is for salaries, going up by 14.3%. OTPS will increase by \$68,237, or 52.9%.

Contractual services represent the second largest component of the department's expenditures. The budgeted contractual expenditures for FY 07 involve various Systems & Programming services. The department is spearheading several IT related initiatives. One program is an On-Line Vendor Registration/Subscription system. This web-based environment gives vendors the ability to register with County in the pursuit of Request for Proposals (RFP), Invitations for Bid (IFB) or Requests for Quotation (RFQ). The vendor goes through a detailed registration process which allows vendors to download various solicitation titles. The department hopes to generate future revenue through this online application. A contract with Dunn & Bradstreet provides business information reports on prospective contractors. This statement gives a detailed analysis of the financial stability in the areas of liquidity, credit etc.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges were developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office of Purchasing. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest of these charges budgeted in FY 07 include \$119,708 for indirect charges, \$90,044 for building occupancy, and \$26,072 for printing.

### Purchasing Staffing Analysis

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	24	23	24	24	0	1

Authorized headcount for the Department is remaining at 24 full-time positions. Two clerk positions have been removed and a Deputy Director of Purchasing and Financial Systems Administrator have been added. The systems administrator will work on e-procurement, Advanced Purchasing Inventory Control System (ADPICS), FAMIS, and IT training of staff. The Deputy Director's salary has formerly been represented in OMB's budget prior to FY 07. CSEA employees will receive a salary adjustment of 3.5% as of January 1, 2007 and a step increase.

### Historical Revenue

	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$67,700	\$43,470	\$150,165	\$76,573	\$52,000	-32.1%
Department Revenues	2,052	4,000	79	15,000	28,000	86.7%
Interdepartmental Rev.	130,083	2,056,567	935,360	858,709	566,830	-34.0%
<b>Total</b>	<b>\$199,835</b>	<b>\$2,104,037</b>	<b>\$1,085,605</b>	<b>\$950,282</b>	<b>\$646,830</b>	<b>-31.9%</b>

The chart above shows revenues realized by the Purchasing Department since FY 03, with a projected amount for FY 06. Rents & Recoveries represent the sale of 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 purchasing is able to sell any of these items it receives proceeds. The departmental revenues for Purchasing consist of charges for physical copies of bids etc. The FY 07 departmental revenues seem higher in light of the historical trend, but the increase is due to the on-line vendor initiative described below. Inter-departmental 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 inter-departmental charge (HF).

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BF Rents & Recoveries	\$50,000	\$284,419	\$52,000	\$52,000	\$2,000	(\$232,419)
BH Departmental Revenue	15,000	1,341	28,000	28,000	13,000	\$26,659
BJ InterDept Revenue	858,709	858,709	0	566,830	(291,879)	(\$291,879)
<b>Grand Total</b>	<b>\$923,709</b>	<b>\$1,144,469</b>	<b>\$80,000</b>	<b>\$646,830</b>	<b>(\$276,879)</b>	<b>(\$497,639)</b>

The proposed FY 07 revenue budget is decreasing by \$276,879, or 30.0%, as compared to the FY 06 Adopted Budget. This reduction is due mainly to the decrease in inter-departmental revenues. As a result of the proposed consolidation of the Fire Commission and Parks Department into the General Fund, the interdepartmental charges for those departments are no longer accounted for in the budget, and therefore the inter-departmental revenues received by Purchasing from those agencies, \$178,371 in FY06, have been removed.

OLBR is projecting a significant surplus for Rents & Recoveries. The additional receipts are due to the sale of County vehicles. This revenue category is difficult to forecast due to the sporadic nature of excess material to be auctioned.

The FY 07 budget shows departmental revenue rising by 86.7% or \$13,000 to \$28,000. This increase is primarily due to potential revenue generated from the on-line vendor registration subscription program. Vendors will be notified when the County issues a bid or an RFP for a commodity code that matches the goods or services they provide. The County currently has 4,100 vendors in the procurement database. The assumption is that 500 of them will sign up for e-mail notification service at a cost of \$50 per year, yielding annual receipts of \$25,000. This will require legislative approval. The remaining portion of departmental revenue is for miscellaneous receipts.

**OFFICE OF REAL ESTATE PLANNING & DEVELOPMENT**

The Office of Real Estate Planning & Development provides real estate services to county government including strategic planning, property acquisition and disposition, and building project planning and development.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	11	12	12	11	11	0.0%
Salaries	\$663,003	\$876,506	\$1,047,162	\$811,165	\$906,291	11.7%
Misc OTPS	65,162	97,130	111,803	291,059	374,769	28.8%
Insurance on Bldgs	210,105	210,732	13,512	500,000	500,000	0.0%
Rents	4,532,909	4,488,154	10,306,144	12,091,815	13,031,928	7.8%
<b>Total</b>	<b>\$5,471,179</b>	<b>\$5,672,522</b>	<b>\$11,478,621</b>	<b>\$13,694,039</b>	<b>\$14,812,988</b>	<b>8.2%</b>

The chart above shows actual expenditures for the Office of Real Estate since FY 03, with a projected amount for FY 06. Staffing for the Office has remained fairly constant. Miscellaneous OTPS has been steadily increasing since FY 03. The large increase in rents in FY 05 corresponds to the consolidation of the Health and Human Services departments into leased space at 60 Charles Lindbergh Boulevard.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
AA	Salaries	\$829,136	\$811,165	\$872,481	\$906,291	\$77,155	\$95,126
DD	General Expenses	212,000	195,040	327,600	271,265	59,265	76,225
DE	Contractual Services	96,019	96,019	125,000	103,504	7,485	7,485
93	Insurance on Bldgs	500,000	500,000	500,000	500,000	0	0
94	Rent	12,091,815	12,091,815	12,977,928	13,031,928	940,113	940,113
	<b>Total OTPS</b>	<b>12,899,834</b>	<b>12,882,874</b>	<b>13,930,528</b>	<b>13,906,697</b>	<b>1,006,863</b>	<b>1,023,823</b>
	<b>Grand Total</b>	<b>\$13,728,970</b>	<b>\$13,694,039</b>	<b>\$14,803,009</b>	<b>\$14,812,988</b>	<b>\$1,084,018</b>	<b>\$1,118,949</b>

The proposed FY 07 Office of Real Estate Services expense budget is increasing by 7.9% over the FY 06 adopted budget. Contributing to the increase in expense was the following: rents, salaries, general expenses and contractual services.

From budget to budget salaries are increasing by \$77,155, or 9.3%. More than half of this amount can be attributed to an increase of \$41,915 for terminal leave. General expenses are increasing by \$59,265, or 28.0%, to \$271,265. This funding is intended for flags for County buildings (\$9,000), office expense (\$8,000), and the moving costs of County departments which are shifted as part of the building

consolidation program. Contractual services expense is budgeted to grow by 7.8% to \$103,504. This funding will be used to obtain property appraisal services required for the sale of County-owned property.

Rent expense is increasing by \$940,113, or 7.8%. A schedule of the various properties and the 2007 rent for each appears below. This increase results from escalating rents on existing properties, and from an additional lease expense of \$665,728 for the new Police Academy housed in the Hawthorn School in Massapequa Park.

<b>EXPENSE BUDGET BY CONTROL CENTER</b>						
<b>Control Center</b>		<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. Vs. Adopted 06</b>	<b>Variance Exec. Vs. Request</b>
10	Real Estate Services	\$13,305,909	\$14,367,519	\$14,377,498	\$1,071,589	\$9,979
20	RE Services - Ordinance	423,061	435,490	435,990	12,929	500
<b>Total</b>		<b>\$13,728,970</b>	<b>\$14,803,009</b>	<b>\$14,813,488</b>	<b>1,084,518</b>	<b>10,479</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 except for the salaries of the ordinance employees and a general expenses line of \$500, which are accounted for in control center 20. The Real Estate Services control center is increasing due to rents, salaries, general expenses and contractual services as detailed previously. Control center 20 is increasing for salaries expense.

<b>Real Estate Planning and Development Staffing Analysis</b>							
		<b>FY 06 Adopted</b>	<b>Sept-06 Actual</b>	<b>FY 07 Request</b>	<b>FY 07 Executive</b>	<b>Exec. vs 05 Adopt</b>	<b>Exec. vs Actual</b>
<b>CC</b>	<b>Full-time Staffing</b>						
10	Real Estate Services	6	6	6	6	0	0
20	RE Services - Ordinance	5	5	5	5	0	0
<b>Total Full-time</b>		<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>

Headcount is remaining steady at 11 full-time positions. From FY 06 to FY 07, an Architectural Drafter II has been added, and a Maintenance Carpenter position has been eliminated.

<b>County Rent Expenses, Exhibit A</b>		
<b>RENTAL LOCATION</b>	<b>use of building</b>	<b>2007 Rents</b>
Village of Hempstead (parking)	courts, hempstead agencies	\$488,150
Plainview Properties	veterans	345,478
	TAXES	257,000
24-26 Main Street- Traffic Violations	traffic violations	327,336
	TAXES	168,958
Hawthorn School	police HQ	665,728
40 Main Street	civil service, casa	1,057,886
	TAXES	341,994
Bellmore-Merrick School- Sr. Cit	senior citizens	79,824
1 Helen Keller Way- Legal Aid	legal aid for indigent defendants	328,857
435 Middleneck Road- 3rd Dist. Ct.	court	277,876
60 Charles Lindberg	HHS vertical	6,181,914
160 Old Country Road	IT, Worker's Comp	108,000
	TAXES	309,155
LIRR MTA	right of way in Garden City	500
Grumman recharge basin	easement	77,623
<b>TOTAL CURRENT RENTS</b>		<b>11,016,278</b>
<b><u>NUMC Locations</u></b>		
PD		76,282
Mental Health		31,390
Drug & Alcohol (Bldg K)		358,275
Medical Examiner		852,895
Fire Commission- EMS		209,474
Health Dept (WIC)		5,208
<b>TOTAL NCMC</b>		<b>1,533,523</b>
<b><u>A Holly Patterson Locations</u></b>		
VEEB		177,260
Fire Commission- Arson Squad		250,868
<b>TOTAL A HOLLY PATTERSON</b>		<b>428,127</b>
<b>TOTAL PBC RENTS</b>		<b>1,961,650</b>
<b>GRAND TOTAL RENTS</b>		<b>12,977,928</b>
<b>INSURANCE</b>		<b>500,000</b>
<b>TOTAL OO ACCOUNT:</b>		<b>\$13,477,928</b>

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$9,216,646	\$8,246,159	\$8,407,760	\$8,241,301	\$9,760,645	18.4%
Department Revenues	75,600	75,600	82,144	92,448	114,864	24.2%
Interdepartmental Rev.	0	0	3,182,933	2,949,285	4,028,878	36.6%
State Aid	285,000	0	(180,601)	94,314	94,314	0.0%
<b>Total</b>	<b>\$9,577,246</b>	<b>\$8,321,759</b>	<b>\$11,492,236</b>	<b>\$11,377,348</b>	<b>\$13,998,701</b>	<b>23.0%</b>

The chart above shows revenues realized by the Office of Real Estate since FY 03, with a projected amount for FY 06. Historically Rents & Recoveries, from income on leased County property, has been the major source of the revenue. A large portion of this line is the rent at the Mitchell Field property. Inter-departmental revenues are received for the allocated building occupancy charges of County departments. Departmental revenue, which consists of concessions, has remained relatively flat during this period.

<b>REVENUE BUDGET</b>							
<b>Revenue Class</b>	<b>Adopted</b>	<b>OLBR</b>	<b>FY 07</b>	<b>FY 07</b>	<b>Variance</b>	<b>Variance</b>	
	<b>FY 06</b>	<b>FY 06</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 06</b>	<b>FY 06 Proj.</b>	
BF Rents & Recoveries	\$8,241,301	\$8,241,301	\$10,140,463	\$9,760,645	\$1,519,344	\$1,519,344	
BH Dept Revenues	75,600	92,448	114,864	114,864	39,264	22,416	
BJ Interdept Revenues	7,485,267	2,949,285	4,028,878	4,028,878	(3,456,389)	1,079,593	
SA State Aid	94,314	94,314	94,314	94,314	0	0	
<b>Grand Total</b>	<b>\$15,896,482</b>	<b>\$11,377,348</b>	<b>\$14,378,519</b>	<b>\$13,998,701</b>	<b>(1,897,781)</b>	<b>2,621,353</b>	

The proposed FY 07 Real Estate revenue budget is 11.9% less than the FY 06 adopted budget. This decrease is the net effect of a \$1.5 million increase in rents and recoveries and a drop in inter-departmental revenues of \$3.5 million. The \$1.5 million in rents and recoveries, as described in OMB's Proposed 2007 Budget Summary, "assumes that a new Coliseum Redevelopment Lease is executed by the end of the first quarter 2007." A memorandum of agreement was signed at the end of June with Charles Wang and Reckson Associates (Lighthouse Development Group) to renovate Nassau Coliseum and develop the surrounding area. The MOU states that, "The Developer and the County shall endeavor to negotiate and finalize the Project Documents within three (3) months from the date hereof, as such period may be extended from time to time by mutual agreement of the County and the Developer, provided that, in no event shall such period be extended beyond the date which is twenty four (24) months from the date hereof." Zoning approval will have to be granted by the Town of Hempstead before the development can commence. The \$1.5 million revenue that has been budgeted relates to the following section of the MOU:

Lighthouse shall pay "Option Payments" in the amount of \$1.5 million annually. Commencement of the payment by Lighthouse of the Option Payments shall be agreed upon by the parties in conjunction with the determination by the parties of the process to be employed in connection with obtaining the necessary approvals for the Project. The

Option Payments will be applied against Rent due on and after the Rent Commencement Date. In the event that Lighthouse does not obtain the requisite approvals for the Project and effects to terminate in accordance with its proposal, the Option Payments will be forfeited by Lighthouse.

As stated, commencement of the payment “shall be agreed upon by the parties.” The Administration anticipates that the first Option Payment will be received in 2007.

The reduction of interdepartmental revenues in FY 07 is attributable to decreased building occupancy charges for County agencies. The agencies with the largest reductions are the Department of Social Services at \$2.8 million and the Youth Board, decreasing by \$330,503. The charges for the Fire Commission, \$338,558 in FY 06, have been eliminated entirely as a result of the consolidation of the Fire Commission Fund into the General Fund. It appears that the FY 05 charges may have been overstated.

State aid is received by Real Estate for state usage of the court building. This revenue covers 25% of bond interest expenses related to State Court buildings located in Nassau County. The proposed state aid budget is remaining at the FY 06 level.

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 below details these rents and recoveries.

Total FY 07 rents and recoveries are budgeted to increase by 18.4% from the FY 06 adopted budget. The increase is primarily a function of higher Coliseum rental and utilities. Exhibit B on the next page itemizes the rents that the County collects from properties that it owns. This category will continue to decline as the County sells off its excess space. The Coliseum utilities line is increasing to reflect the higher cost of oil. The rents collected from the Mitchell Field Properties are decreasing; these amounts are shown in Exhibit C. Under the terms of the new contract revenues associated with concessions will be incorporated within coliseum rental.

<b>BF Rents &amp; Recoveries</b>		<b>2006</b>	<b>2007</b>	<b>Variance</b>
<b>Sub-Object</b>		<b>Adopted</b>	<b>Proposed</b>	<b>Proposed Vs. Adopted</b>
707	Rent County Properties	\$188,713	\$345,466	\$156,753
716	Coliseum Utilities	1,817,433	2,748,074	930,641
717	Coliseum Rental	39,895	1,500,000	1,460,105
718	Coliseum Concessions	767,087	93,086	(674,001)
720	Rental Mitchell Field Property	5,428,173	5,074,019	(354,154)
<b>Total</b>		<b>\$8,241,301</b>	<b>\$9,760,645</b>	<b>\$1,519,344</b>

The chart below details the properties on which the County collects rent.

<b>Rent From County Property, Exhibit B</b>		
<b>Tenant Name</b>	<b>2006 Annual Rent</b>	<b>2007 Annual Rent</b>
Bell Merrick Dodge	\$8,100	\$6,900
City of Glen Cove (ANNUAL)	12	12
Civil Air Patrol (ANNUAL)	12	12
Civil Service Employees Association	28,800	28,800
Coleman Country Day Inc.	1,200	0
Concord Drive-In Cleaners (ANNUAL)	50	50
Crestwood Country Day School	1,800	1,800
Inc.Village of Valley Stream (ANNUAL)	1	1
Keyspan- Real Estate Department (ANNUAL)	113,705	113,705
Lakeside Inn Inc.	5,228	5,440
LIRR - Real Estate Dept (ANNUAL)	100	100
Long Island Water (ANNUAL)	608	608
Massapequa Water District (ANNUAL)	7	7
Nassau Health Care Corporation	0	158,773
New York Water Service Corp. (ANNUAL)	5,440	5,440
Rocco J. Cambareri (ANNUAL)	300	300
Roosevelt Board of Education (ANNUAL)	200	200
Science Museum of Long Island (ANNUAL)	1	1
Sham Chitkara (ANNUAL)	36	36
Sutton & Edwards Management, LLC	600	600
Ten Washington Realty Assoc.	3,366	3,534
The Woods Knife Corp. (ANNUAL)	120	120
Town of Hempstead	0	0
Village of Hempstead (ANNUAL)	12	12
Village of Mineola (ANNUAL)	12	12
Village of Russell Gardens (ANNUAL)	50	50
Village of Valley Stream (ANNUAL)	1	1
Valley Stream Volunteer Fire Department (ANNUAL)	0	120
Volunterr Fired Department (ANNUAL)	120	0
Wantagh Fire District (ANNUAL)	1,300	1,300
Wantagh Racquet Sport (ANNUAL)	17,400	17,400
Westbury Medical (ANNUAL)	120	120
Woodcrest Club (ANNUAL)	12	12
<b>Total</b>	<b>\$188,713</b>	<b>\$345,466</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>2006 Annual Rent</b>	<b>2007 Annual Rent</b>
Atria East Associates	\$85,309	\$96,480
Bergwall Productions, Inc.	24,183	24,183
Coliseum Hotel Associates	256,356	0
Coliseum Hotel Associates (Parcel I)	94,410	0
Coliseum Hotel Associates (Parcel II)	101,905	0
Concept 400 Realty	120,000	120,000
Fortunoff	88,660	93,278
Galaxy L.I. Associates LLC	728,222	0
HPI Partners One, LLP	133,148	133,148
JP Morgan Chase Bank	119,302	119,302
Lighthouse Hotel Development	0	257,104
Lighthouse Hotel Development Parcel 1	0	94,961
Lighthouse Hotel Development Parcel 2	0	108,606
Lighthouse 1600, LLC	413,728	413,728
Meadowbrook Palza South	68,159	0
Nassau District Energy Group ( TRIGEN)	924,204	924,204
Oak Realty	25,240	25,240
Office Center at Mitchel Field	139,367	139,367
Reckson Assoc (HMCC)	182,500	182,500
Reckson Assoc (OMNI)	534,730	534,730
Reckson Operating Partnership	155,620	155,620
Reckson Operating Partnership	263,860	263,860
Reckson Operating Partnership	183,562	183,562
Reckson Plaza	0	728,222
Robert Plan Corp	62,355	62,355
Rodolitz (Quentin Roosevelt )	382,920	382,920
Rolin Realty	66,120	66,120
Sunrise Senior Living Services	0	70,035
United Parcel Services	274,313	274,313
<b>Total</b>	<b>\$5,428,173</b>	<b>\$5,453,837</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. Established in the FY 03 budget, Records Management was originally part of the Department of General Services, which was eventually merged with Parks. The Office is under the supervision of the County Clerk.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	11	9	9	9	13	44%
Salaries	\$656,117	\$529,607	\$598,320	\$631,635	\$754,076	19.4%
Misc OTPS	132,871	57,532	30,460	196,476	231,476	17.8%
Contractual Services	0	157,000	100,000	134,680	135,000	0.2%
<b>Total</b>	<b>\$788,989</b>	<b>\$744,139</b>	<b>\$728,780</b>	<b>\$962,791</b>	<b>\$1,120,552</b>	<b>16.4%</b>

The Office's headcount level has remained steady from FY 03 to FY 06. The proposed FY 07 budget authorizes four more full-time positions than are currently on board. The growing salary level from year to year, in spite of a flat labor force, was attributed to increased overtime and the utilization of part-time employees.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Executive vs Adopted</b>	<b>Executive vs FY 06 Proj.</b>
AA	Salaries	\$708,531	\$631,635	\$957,149	\$754,076	\$45,545	\$122,441
BB	Equipment	37,575	25,000	50,000	50,000	12,425	25,000
DD	General Expenses	181,476	171,476	181,476	181,476	0	10,000
DE	Contractual Services	134,680	134,680	135,000	135,000	320	320
	<b>Total OTPS</b>	<b>353,731</b>	<b>331,156</b>	<b>366,476</b>	<b>366,476</b>	<b>12,745</b>	<b>35,320</b>
HF	Inter-Depart Charges	680,333	680,333	0	163,846	(516,487)	(516,487)
	<b>Grand Total</b>	<b>\$1,742,595</b>	<b>\$1,643,124</b>	<b>\$1,323,625</b>	<b>\$1,284,398</b>	<b>(\$458,197)</b>	<b>(\$358,726)</b>

The proposed appropriation for Records Management, less interdepartmental charges, would be an increase of \$58,290, or 5.5%, over the adopted budget for FY 06. This results from slightly higher

salaries and OTPS. Compared to the FY 06 projected actuals, the increase is \$157,761, or 16.4%. OLBR’s FY 06 salary projection is 10.8% lower than the FY 06 adopted budget. The below budget spending in the current year is due in part to County imposed freezes on hires, equipment and general expenses. The increase in the proposed salary line is primarily a function of additional funding for new full-time and seasonal employees. The Office’s CSEA employees will receive a contractual increase of 3.5% as of January 1.

The proposed FY 07 OTPS budget, excluding inter-departmental charges, will increase by 3.6%. Records Management contracts with a firm to provide off-site records storage. The contract is payable over five years in annual installments of \$134,680.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Records Management. An offsetting revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest components of the department’s inter-departmental charges are for building occupancy, printing and graphics and indirect charges. The 26.3% reduction in inter-departmental charges is due to decreases in building occupancy, fleet maintenance and gasoline charges.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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.	173,607	1,003,053	353,043	129,084	217,681	68.6%

The chart above shows revenues realized by the Office from FY 03 to FY 05, with a projection for FY 06. During that period inter-departmental revenues have been the only revenue.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BJ Interdepart Revenues	\$129,084	\$129,084	\$0	\$217,681	\$88,597	\$88,597

The proposed FY 07 budget would increase inter-departmental revenues by \$88,957, or 68.6%. 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. The Department of Health, at \$194,833 and Purchasing, at \$19,382, are the largest source of inter-departmental revenues for Records Management.

**Office of Records Management  
Staffing Analysis**

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	10	9	13	13	3	4
Part-time and Seasonal	13	11	28	21	8	10

Staffing levels are increasing in the Records Management office by three full-time and eight seasonal positions over the FY 06 budgeted headcount. Most of the positions are “touch labor” positions which are required to handle the physical storage of records. The full-time positions being added are two Clerk Laborers and one Labor Supervisor I. The eight seasonal positions are Clerk I Seasonal, budgeted at \$57,796 in total.

Records management is experiencing some difficulty in regard to storage. The space available at the former King Kullen warehouse is currently at capacity. According to Records Management, this results from several factors. County departments have a tendency to store materials which are not needed or are submitted for a lengthy retention period. The department is currently exploring alternatives with the State regarding its record management practices.

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**RESERVES**


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<b>Historical Revenue</b>						
	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</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	\$200	\$3,250	\$3,100	\$1,544	\$0	-100.0%
Rents & Recoveries	2,154,400	2,315,912	4,738,776	12,500,000	12,500,000	0.0%
Department Revenues	1,683	0	0	0	0	0.0%
<b>Total</b>	<b>\$2,156,283</b>	<b>\$2,319,162</b>	<b>\$4,741,876</b>	<b>\$12,501,544</b>	<b>\$12,500,000</b>	<b>0.0%</b>

The chart above shows revenues credited to Reserves since FY 03, with a projected amount for FY 06.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
BF Rents and Recoveries	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$0	\$0

The FY 07 revenue scheduled in Reserves is on the line for rents and recoveries, which is mainly derived from the disencumbrance of prior year appropriations. The proposed amount of \$12.5 million is unchanged from the current year. There are no expenses budgeted.

SENIOR CITIZEN AFFAIRS

The Department of Senior Citizen Affairs is designated to carry out the provisions of the Older Americans Act of 1965 for a growing population of over 257,000 older persons in Nassau County and their caregivers. In addition to serving as an advocate for the elderly, the department is the principal funding agency for over 90 programs in the areas of health, employment, legal services, volunteerism, home care, transportation, nutrition, etc., as well as information on housing, to improve the quality of life for older persons.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	35	35	36	36	40	11.1%
Salaries	\$2,091,925	\$2,137,228	\$2,223,436	\$2,324,613	\$2,549,930	9.7%
Inter-department charges	0	111,782	567,038	1,407,862	1,135,279	-19.4%
Misc OTPS	133,744	26,813	25,091	60,753	73,605	21.2%
Contractual Services	9,835,883	10,731,285	11,654,101	12,729,912	13,891,553	9.1%
<b>Total</b>	<b>\$12,061,552</b>	<b>\$13,007,108</b>	<b>\$14,469,666</b>	<b>\$16,523,140</b>	<b>\$17,650,367</b>	<b>6.8%</b>

FY 07 is in line with trend data in all expense categories except for FY 03 miscellaneous OTPS and inter-departmental charges, which was the last year the Administration classified inter-departmental charges and OTPS in the same object code. Salaries have increased at a pace to match full-time headcount and COLA increases. On average, contractual services has accounted for 80% of expenditures since FY 2003.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
AA	Salaries	\$2,442,317	\$2,324,613	\$2,723,762	\$2,549,930	\$107,613	\$225,317
BB	Equipment	6,000	5,520	6,000	6,000	0	480
DD	General Expenses	60,036	55,233	70,005	67,605	7,569	12,372
DE	Contractual Services	12,679,912	12,729,912	14,220,160	13,891,553	1,211,641	1,161,641
	<b>Total OTPS</b>	<b>12,745,948</b>	<b>12,790,665</b>	<b>14,296,165</b>	<b>13,965,158</b>	<b>1,219,210</b>	<b>1,174,493</b>
HF	Inter-Depart Charges	1,407,862	1,407,862	0	1,135,279	(272,583)	(272,583)
	<b>Grand Total</b>	<b>\$16,596,127</b>	<b>\$16,523,140</b>	<b>\$17,019,927</b>	<b>\$17,650,367</b>	<b>\$1,054,240</b>	<b>\$1,127,227</b>

The department's aggregate expense budget of \$17.7 million has increased by \$1.1 million in FY 07, or 6.8% from the FY 06 adopted budget. Contractual services, the largest category in Senior Citizen Affairs' expense budget, amounts to \$13.9 million, which is a 10% increase over the adopted FY 06 budget, and accounts for 78.7% of the total proposed 2007 budget. This \$1.2 million growth can be explained by additional funding from the State for Extended In-Home Services for the Elderly (EISEP).

Salaries will increase marginally, by \$107,613 or approximately 4.0% in 2007. Compared to FY 06 projections, the growth approximates 9.7%. This escalation is the result of 1) funding for two additional full-time hires and 2) an additional \$19,113 of termination pay. General expenses have increased by \$7,569 for office supplies, postage, educational and training supplies, and traveling expenses. Inter-departmental costs of \$1.1 million have decreased by 19.3% since FY 06. These expenses, which include building occupancy charges of \$452,051, information technology costs of \$182,700, and telecommunication expenditures of \$78,652, have been allocated to the Department of Senior Citizen Affairs for service performed by other County departments. The line for vehicle equipment will remain flat.

Illustrated in the chart below, the Department of Senior Citizen Affairs contains ten cost 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 the New York State Office for the Aging based on several criteria, specific to program functions. Older American Act 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>						
Control Center	Adopted FY 06 Budget	Departmental Request FY 07	Executive FY 07	Variance Exec. vs Adopted 06	Variance Exec. vs Request	
10 Senior Citizens Affairs	\$4,360,162	\$2,863,017	\$3,824,464	(\$535,698)	\$961,447	
20 Com. Svcs for Elderly	1,527,294	1,395,837	1,395,837	(131,457)	0	
30 Nutrition Program	3,660,719	3,902,387	3,902,387	241,668	0	
35 Sr. Citizens Comm. Ctr.	93,421	93,118	93,118	(303)	0	
40 Area Agency Title III - B	1,877,842	2,047,403	2,047,403	169,561	0	
50 Foster Grandparents	3,465	4,465	4,465	1,000	0	
60 Extend. In-Home Svcs.	3,340,211	4,863,670	4,532,663	1,192,452	(331,007)	
65 SNAP (Nutrition Program)	725,996	783,402	783,402	57,406	0	
66 Title IIID/Health Promotion	102,000	102,000	102,000	0	0	
67 Title IIIE/(Care Givers)	905,017	964,628	964,628	59,611	0	
<b>Total</b>	<b>\$16,596,127</b>	<b>\$17,019,927</b>	<b>\$17,650,367</b>	<b>\$1,054,240</b>	<b>\$630,440</b>	

The FY 07 total expense budget for the department of Senior Citizen Affairs is 6.4% greater than the FY 06 budget. Senior Citizen Affairs (CC 10), which accounts for 21.6% of the aggregate expense budget decreased by 12.3% or \$535,698 as a result of lower inter-departmental charges and non-recurring funds. Community Services for Elderly (CC 20) has decreased by 8.61% due to a decline in program agency contractual services. A greater allocation by the New York State Office for the Aging accounts for increased expenditures in Expanded-In-Home Services for the Elderly (EISEP; CC 60) by \$1.2 million. The services provided for under EISEP include provisions to those elderly who need non medical community based long-term care. The Foster Grandparents program (CC 50) has remained relatively flat from FY 06. This program places low-income, eligible senior citizens in day care centers, elementary schools, and head start programs to work 20 hours per week, one-on-one with children under the age of 17 with special needs.

The Supplemental Nutrition Assistance Program (S.N.A.P.; CC 65), an in-home nutrition program, receives funding from the New York State Department of Health through the New York State Office for the Aging. The FY 07 budget includes a 6.9% increase in contractual services for program agencies. Contractual services for the Federal Nutrition Program (CC 30) are increasing by 6.6% or \$241,668 from the FY 06 adopted budget. The Nutrition Programs provide hot nutritious meals to the elderly either at home or at a community-based senior center. Title III E Caregivers Program (CC 67) and Title III D Health Promotion Program (CC 67) are based on receiving the same funding from the New York State Office for the Aging as in FY 06. Title III D promotes health education among elderly Nassau residents. The Caregiver Program offers respite, day care counseling, information and referrals, and support groups to adult caregivers who provide informal care to persons aged 60 years and up.

The proposed FY 07 budgeted headcount for the Department of Senior Citizen Affairs adds two full-time positions. The salary line is sufficient to cover the costs of the 40 budgeted full-time employees and 8 budgeted part-time employees.

<b>Department of Senior Citizen Affairs Staffing Analysis</b>						
	<b><u>FY 06 Adopted</u></b>	<b><u>Sept-06 Actual</u></b>	<b><u>FY 07 Request</u></b>	<b><u>FY 07 Executive</u></b>	<b><u>Exec. vs 06 Adopt</u></b>	<b><u>Exec. vs Actual</u></b>
Full-time Staffing	38	36	42	40	2	4
Part-time Staffing and Seasonal	8	8	9	8	0	0

Historical revenues since FY 03 have increased due primarily to increased State aid. Increased inter-departmental revenue 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.

Historical Revenue						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Department Revenues	\$12,110	\$15,048	\$15,028	\$15,450	\$15,456	0.0%
Rents & Recoveries	847,854	122,055	189,928	0	0	0.0%
Interdepartmental Rev.	0	0	0	390,562	390,000	-0.1%
Interfund Charges	0	0	0	0	115,971	0.0%
Federal Aid	5,080,204	5,089,399	4,884,872	5,034,374	5,044,196	0.2%
State Aid	3,913,551	3,816,575	3,986,165	4,688,045	5,777,608	23.2%
<b>Total</b>	<b>\$9,853,719</b>	<b>\$9,043,077</b>	<b>\$9,075,993</b>	<b>\$10,128,431</b>	<b>\$11,343,231</b>	<b>12.0%</b>

The department will receive approximately \$10.8 million, or 95.4% of its total budgeted revenue of \$11.3 million from Federal and State agencies for program planning, administration and operations. The aggregate revenue budget for the department in FY 07 is increasing by \$1.2 million, or 11.9% from FY 06. An increase of 23.2% in State aid from the FY 06 budget, an additional \$115,000 in interfund charges and additional Federal Aid of \$9,822 explain the growth in budgeted revenues. The \$115,000 in interfund charges represents reimbursement for grant administrative costs.

REVENUE BUDGET						
Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
BH Department Revenues	\$15,450	\$15,450	\$15,456	\$15,456	\$6	\$6
BJ Inter-departmental Revenues	390,562	390,562	390,000	390,000	(562)	(562)
BW Interfund Charges	0	0	0	115,971	115,971	115,971
FA Federal Aid - Reimbursable	5,034,374	5,034,374	5,044,196	5,044,196	9,822	9,822
SA State Aid - Reimbursable	4,688,045	4,688,045	5,848,229	5,777,608	1,089,563	1,089,563
<b>Grand Total</b>	<b>\$10,128,431</b>	<b>\$10,128,431</b>	<b>\$11,297,881</b>	<b>\$11,343,231</b>	<b>\$1,214,800</b>	<b>\$1,214,800</b>

Departmental revenues will remain relatively stable at \$15,456 from the prior FY 06. An annual luncheon/conference sponsored by the department every May is the source of these funds, which consists of a series of workshops directed toward senior citizen concerns. Although the event does generate revenue from attendees who pay for the tickets, the proceeds offset 100% of the costs incurred by holding the event. The Senior Citizen of the Year award is presented at this conference.

Final determination on contracts for FY 07 has not been made.

The department reports that home-delivered meals to the senior population have increased by over 21% since 2 years ago, from 414,182 in 2004 to 502,406 as of August 2006. Although EISEP funding has doubled in the past 2 years, enabling the department to serve the very frail with case management and homecare services that prevent or delay institutional care, the population in the 75+ and 85+ age groups continue to grow.

**Out Year Initiative:**

<b>NAME</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Program Reduction *	\$60,000	\$60,000	\$60,000
* (Senior Citizen Affair component only)			

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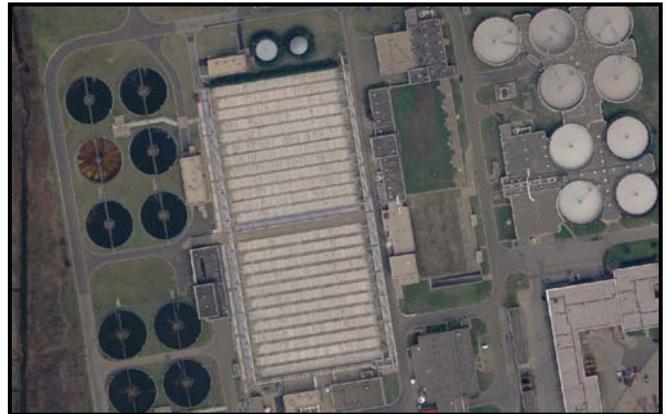
## THE SEWER AND STORM WATER DISTRICT

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### **Background:**

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

This legislation created the Authority and a consolidated County-Wide Sewer & Storm Water Resource District. The sole purpose of the Sewer and Storm Water Finance Authority is to refinance outstanding sewer and storm water resources debt issued by the County (previously paid from the General Fund) and to finance future County sewer and storm water resources projects. The Authority can restructure this debt within a \$350 million cap. The original intention behind the creation of the Authority was to restructure sewer debt issued through the Environmental Facilities Corporation to create debt service savings. The first place the County looks for funding is the EFC as they provide the cheapest source. In 2004, the EFC did not have enough funding to fund all projects requested by various municipalities. The EFC created criteria for the



**Figure 1: Cedar Creek**

selection of projects to fund. Under the selection, new construction ranks higher than financing acquisitions. In 2005 there was a small amount of borrowing for some new construction. However, the Sewage Treatment plants require more maintenance work than new construction. Therefore the County's projects fall low on the EFC funding list.

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

Last year 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. The Authority subsequently issues long term debt to take out its outstanding commercial paper notes. This program ensures the Authority can take maximum advantage of opportunities to refund or restructure debt. Also the Authority can draw on it for actual not planned

expenditures such as capital improvements, refunding or restructuring. The commercial paper program is limited to \$85.0 million. When the limit is reached the Financing Authority will refund the commercial paper program with long term bonds and start over again. Through the current date the Authority has borrowed \$38.0 million.

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

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

**Flow of funds:**

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

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

The Debt Service Fund is held in trust by the Trustee until applied as needed. It includes a separate account for each series of bonds. In the event of insufficient funds, and the Debt and Sinking Fund Reserve is insufficient, the trustee shall be authorized to apply the money in the Debt Service Reserve Fund toward payments of debt service requirements becoming due and payable upon a series of bonds. There are no requirement limits on the Debt Service Reserve Fund.

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

The O&M Fund shall be made available immediately to the Authority upon request if necessary to fund debt service on Authority bonds, County bonds, new County bonds, and Authority operating expenses in excess of the budgeted amounts expended for such fiscal year (not to exceed an aggregate of \$1.0 million when added to the current fiscal year budgeted amount). The fund should maintain an amount equal to 25% of the operating expenses of the District budgeted for a fiscal year.

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

**Sewer and Storm Finance Authority Board:**

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

John R. Bransfield, Jr.  
Wayne Lipton  
Michael H. Dorsky  
Paul D. Annunziato  
Patricia M. Canzoneri  
Jeffrey S. Schwartz  
Helena E. Williams

The New York State Senate and Assembly has each passed an amendment to the Authority's governing legislation, that would provide the County Comptroller with the power to make a recommendation for one of the appointments to the board of the Authority. Ms. William's seat on the board is likely to become the one to be made upon the recommendation of the County Comptroller. Ms. Williams will continue to serve as a holdover until the Legislature approves a new appointee.

Some of the significant actions taken by the Board over the previous year include:

- The approval of the 2005 annual report / audited financial statements prepared by Deloitte & Touche LLP;
- The approval of a resolution to established an audit committee to adhere to the State Public Authorities Accountability Act;
- The approval of a resolution to established a Governance committee to adhere Public Authorities Accountability Act;
- The approval of resolution to adopt a code of ethics for the Authority;
- The approval of the report on internal controls of the Sewer and Storm Water Financing Authority by RSM McGladery. The report identifies the key processes performed for the Authority by County personnel and vendors. The report includes risks, controls and recommendations to ensure internal controls of the Authority are adequate;
- An amendment to the RSM McGladery agreement to prepare a report on the Authority's internal bookkeeping processes;

- Reviewing quarterly financial bookkeeping reports.

At the Board meeting on June 27, 2006, a member of NIFA’s staff questioned a potential conflict of interest due to the shared services of County personnel with the Authority. The Authority relies on direct operating support from the County’s Deputy County Attorney, County Debt Manager, County Treasurer and the County’s Chief Deputy County Treasurer. However, the County believes that this is allowable by the Financing and Acquisition Agreement.

**Public Authorities Accountability Act:**

The Nassau County Sewer and Storm Water Finance Authority is subject to a new state law, the Public Authorities Accountability Act, which imposes certain new requirements upon the Authority and its board members. The Public Authority Accountability Act of 2005 was signed into law on January 13, 2006 as Chapter 766 of the Laws of 2005 and is effective immediately in 2006. The legislation reflects the State’s commitment to maintaining public confidence in public authorities by ensuring that the essential governance principles of accountability, transparency and integrity are followed at all times.<sup>1</sup> The law is a significant attempt to incorporate elements of the federal Sarbanes-Oxley Act of 2002 applicable to corporations into the public authority sector. The Act seeks to accomplish these purposes by establishing comprehensive reporting, auditing, governance, and property disposition requirements for a multitude of “public authorities.”<sup>2</sup>

The Act requires:

- Enhanced public disclosure of the Authority’s financial, operating and debt practices;
- Adherence to standards of independence for all board members and external auditors, including a requirement that the Chairperson may not serve as the Chief Executive or Chief Financial Officer;
- The establishment of audit and governance committees with specifically delineated responsibilities;
- Adoption of specific procedures for the custody, control and disposition of real property, including the need to designate a contracting officer responsible for carrying out the provision;
- Codification of model governance principles that must be followed, including the participation by board members in training on their legal, fiduciary, financial and ethical responsibilities.

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<sup>1</sup> Memo from the State of New York Authority Budget Office, April 5, 2006.

<sup>2</sup> “Public Authorities Accountability Act of 2005”, Memorandum from Orrick, Herrington & Sutcliffe LLP, May 1, 2006.

**FY 2007 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>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Misc OTPS	\$146,288	\$0	\$375,000	\$0	-100.0%
Contractual Services	0	0	500,000	1,000,000	100.0%
Interest	282,543	2,499,630	5,420,413	5,420,413	0.0%
Principal	0	2,975,000	3,125,000	3,225,000	3.2%
Transfer Out to SSW	70,445,256	182,357,792	162,209,512	135,845,179	-16.3%
Expense of Loans	346,463	491,260	0	0	0.0%
Rate Payer Protection Plan	0	0	7,000,000	7,000,000	0.0%
<b>Total</b>	<b>\$71,220,550</b>	<b>\$188,323,682</b>	<b>\$178,629,925</b>	<b>\$152,490,592</b>	<b>-14.6%</b>

The chart above displays historical expenditures from FY 04 to estimated FY 07. 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 Sewer and Storm Water Authority includes the funds remaining after the Authority absorbs operating expenses and debt service. This transfer amount has varied from FY 04 to present.

<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 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
DD	Other Expenses	\$0	\$375,000	\$0	\$0	\$0	(\$375,000)
DE	Contractual Services	500,000	500,000	1,000,000	1,000,000	500,000	0
LZ	Transfer Out to SSW	162,209,512	162,209,512	139,955,723	135,845,179	(26,364,333)	(26,364,333)
31	Rate Payer Protection Plan	7,000,000	7,000,000	7,000,000	7,000,000	0	0
	<b>Total OTPS</b>	<b>169,709,512</b>	<b>170,084,512</b>	<b>147,955,723</b>	<b>143,845,179</b>	<b>(25,864,333)</b>	<b>(26,739,333)</b>
FF	Interest	5,420,413	5,420,413	5,420,413	5,420,413	0	0
GG	Principal	3,125,000	3,125,000	3,225,000	3,225,000	100,000	100,000
	<b>Total Debt Service</b>	<b>8,545,413</b>	<b>8,545,413</b>	<b>8,645,413</b>	<b>8,645,413</b>	<b>100,000</b>	<b>100,000</b>
	<b>Grand Total</b>	<b>\$178,254,925</b>	<b>\$178,629,925</b>	<b>\$156,601,136</b>	<b>\$152,490,592</b>	<b>(\$25,764,333)</b>	<b>(\$26,639,333)</b>

The above chart reflects the expenditure budget for the Sewer and Storm Water Finance Authority. The biggest component includes the \$135.8 million that is transferred to the Sewer and Storm Water Resource District. As stated previously, the transfer of funds represents the remaining balance after the Authority's debt service and operating expenses are paid. The remaining balance of the tax proceeds is

## SEWER AND STORM WATER DISTRICT

transferred to the District for annual operating expenses. This amount has been reduced by \$26.4 million from \$162.2 million in FY 06.

The increase in contractual services to \$1.0 million in FY 07 from \$500,000 in FY 06 is in anticipation that extra resources will be needed to comply with the Public Accountability Act of 2005 and amendments to State law regarding procurement lobbying.

Debt service of \$8.6 million has been budgeted in FY 07, which is an increase of \$100,000 from FY 06. This increase is from new debt issued in FY 06. The Authority has assumed an interest rate of 5.25% in its calculation of variable rate debt.

The funding for the Rate Payer Protection Plan remains unchanged from the FY 06 budget at \$7.0 million. The Financing Agreement prohibits the County from reducing the Rate Stabilization Reserve Fund to an amount below \$7.0 million before 2007.

<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>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Fund Balance	\$0	\$0	\$22,252,616	\$32,583,161	46.4%
Capital Proceeds	0	0	17,070,000	0	-100.0%
Investment Income	279,494	5,325,563	234,273	975,122	316.2%
Debt Service from Capit	0	32,574,733	0	0	0.0%
Interfund transfers	143,442,039	0	0	0	0.0%
Property Tax	0	138,942,582	138,932,309	118,932,309	-14.4%
<b>Total</b>	<b>\$143,721,532</b>	<b>\$176,842,878</b>	<b>\$178,489,198</b>	<b>\$152,490,592</b>	<b>-14.6%</b>

The chart above displays the revenue collected by the Authority from FY 04 to FY 07. The lower revenue generated in FY 04 is due to the property tax levy which can be found in the Sewer and Storm Water Resource District. From FY 04 to FY 06 the property tax levy remained constant at \$138.9 million. The one time revenue amount in the FY 05 debt service from Capital category is the result of revenue collected in the County's 840 Capital recovery account. This account represents revenue received from State and Federal grants to retire debt or pay debt service for capital projects.

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

<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
AA Fund Balance - BOY	\$39,322,616	\$22,252,616	\$32,583,161	\$32,583,161	(\$6,739,455)	\$10,330,545
OA Capital Proceeds	0	17,070,000	0	0	0	(17,070,000)
BE Investment Income	0	234,273	975,122	975,122	975,122	740,849
BQ Debt Service from Cap.	0	0	0	0	0	0
TL Property Tax	138,932,309	138,932,309	123,042,853	118,932,309	(20,000,000)	(20,000,000)
<b>Grand Total</b>	<b>\$178,254,925</b>	<b>\$178,489,198</b>	<b>\$156,601,136</b>	<b>\$152,490,592</b>	<b>(\$25,764,333)</b>	<b>(\$25,998,606)</b>

The FY 07 revenue budget for the Sewer and Storm Water Finance 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 07, property taxes are reduced by \$20 million from \$138.9 million in FY 06 to \$118.9 million. Due to an excess fund balance, the Administration plans to use an estimated \$32.6 million of accumulated fund balance from its rate stabilization reserve.

The FY 06 projection of \$178.5 million includes fund balance, capital proceeds, investment income and property tax. Approximately \$17.1 million in bond proceeds results from the issuance of commercial paper. The property tax levy includes \$138.9 million from assessments that are collected in February/March and August/September.

**FY 2007 Budget – Sewer and Storm Water Resource District:**

<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>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Full-time Headcount	297	296	288	384	33.3%
Salaries	\$18,542,855	\$19,429,987	\$19,898,163	\$23,823,370	19.7%
Fringe	8,049,513	8,440,170	8,814,343	10,660,108	20.9%
Misc OTPS	7,748,969	8,546,316	9,273,884	11,780,534	27.0%
Contractual Services	20,340,797	20,479,418	21,441,500	23,712,025	10.6%
Utility Costs	9,687,436	12,079,046	14,421,804	12,000,000	-16.8%
Interest	14,725,507	12,001,496	16,265,147	13,335,240	-18.0%
Principal	26,057,584	17,039,197	30,411,599	30,217,301	-0.6%
Interfund Charges	28,827,153	43,929,405	30,879,272	27,125,772	-12.2%
Rate Payer Protection Pl	73,969,764	0	0	0	0.0%
Ops and Maint Reserve	0	0	13,615,280	500,000	-96.3%
General Reserves	0	0	0	18,568,349	*****
Other Suits & Damages	0	172,562	0	500,000	*****
<b>Total</b>	<b>\$207,949,578</b>	<b>\$142,117,597</b>	<b>\$165,020,992</b>	<b>\$172,222,699</b>	<b>4.4%</b>

The decrease in FY 05 expenditures from FY 04 results mostly from the removal of the rate payer protection plan from the Sewer and Storm Water Resource District. The increase in both the FY 06 projection and the FY 07 budget are due mostly from greater debt service. Since the creation of the Sewer and Storm Water Resource District, salaries and fringe expenses have steadily risen. 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.

## SEWER &amp; STORM WATER RESOURCE DISTRICT

EXPENSE BUDGET  
BY OBJECT CLASS

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$29,243,732	\$19,898,163	\$30,327,123	\$23,823,370	(\$5,420,362)	\$3,925,207
AB	Fringe Benefits	11,481,603	8,814,343	10,660,108	10,660,108	(821,495)	1,845,765
	<b>Total PS</b>	<b>40,725,335</b>	<b>28,712,506</b>	<b>40,987,231</b>	<b>34,483,478</b>	<b>(6,241,857)</b>	<b>5,770,972</b>
BB	Equipment	226,981	226,981	728,350	728,350	501,369	501,369
DD	General Expenses	9,046,903	9,046,903	11,052,184	11,052,184	2,005,281	2,005,281
DE	Contractual Services	21,441,500	21,441,500	23,712,025	23,712,025	2,270,525	2,270,525
DF	Utility Costs	10,774,339	14,421,804	12,000,000	12,000,000	1,225,661	(2,421,804)
HH	Interfund Charges	27,812,858	30,879,272	26,770,572	27,125,772	(687,086)	(3,753,500)
32	Ops & Maint. Reserve	18,803,764	13,615,280	2,125,939	500,000	(18,303,764)	(13,115,280)
33	General Reserves	59,985,427	0	18,568,349	18,568,349	(41,417,078)	18,568,349
87	Other Suits & Damages	500,000	0	500,000	500,000	0	500,000
	<b>Total OTPS</b>	<b>148,591,772</b>	<b>89,631,740</b>	<b>95,457,419</b>	<b>94,186,680</b>	<b>(54,405,092)</b>	<b>4,554,940</b>
FF	Interest	16,265,147	16,265,147	14,934,111	13,335,240	(2,929,907)	(2,929,907)
GG	Principal	30,411,599	30,411,599	32,752,789	30,217,301	(194,298)	(194,298)
	<b>Total Debt Service</b>	<b>46,676,746</b>	<b>46,676,746</b>	<b>47,686,900</b>	<b>43,552,541</b>	<b>(3,124,205)</b>	<b>(3,124,205)</b>
	<b>Grand Total</b>	<b>\$235,993,853</b>	<b>\$165,020,992</b>	<b>\$184,131,550</b>	<b>\$172,222,699</b>	<b>(\$63,771,154)</b>	<b>\$7,201,707</b>

The FY 07 expense budget is decreasing \$63.8 million from \$236.0 million in FY 06. This is due to decreases in salaries, fringe costs, reserves and debt service.

Personal services are decreasing \$6.2 million or 15% from \$40.7 million in FY 06 to \$34.5 million in FY 07. The decrease results from the removal of storm water personnel costs. The FY 06 budget included salary and fringe costs for storm water related personnel costs in the salary line and as an interfund charge. The General Fund charges the Sewer and Storm Water Resource District for storm water related personnel and indirect costs. This expense will continue to be reflected as an interfund charge. The General Fund shows the actual expenses in the Public Works responsibility centers from the General Fund in Wastewater Engineering, Groundwater Remediation, Storm Water and Drain Maintenance (or Water Supply), Mosquito Control and Construction.

In FY 07 the budget for inter-fund charges is decreasing by \$687,000 to \$27.1 million. These charges account for the costs incurred on behalf of the Sewer District for sewer and storm water services. Of this amount, \$12.6 million are for charges to the General Fund for salaries of storm water employees. There is \$700,000 budgeted for worker compensation costs. Another \$6.3 million will be charged for indirect and other than personal services expenses related to these employees. Finally \$6.3 million has been included for debt service on sewer and storm water capital projects.

Other than personal services is decreasing \$54.4 million from \$148.6 million in FY 06 to \$94.2 million due to declines in the reserves for the General Reserves Fund and the O&M Reserve Fund. The FY 07 budget has incorrectly allocated the amounts for these two funds. Technical changes will need to be made to the FY 07 budget to switch the allocation between the two reserves. The O&M Reserve must be maintained at a level equal to 25% of operating expenses (excluding debt, interfund charges and pay as you go expenditures in contractual services). The General Reserve Fund is allowed to float to any amount. The following chart reflects the adjusted figures for the Reserves:

<b>Reserve Accounts</b>		
	Current	Adjusted
932 O&M Reserve	500,000	18,744,009
933 Gen Reserve	18,568,349	324,340
987 Suits & Damages	500,000	500,000
00 Total	19,568,349	19,568,349

General expenses are increasing \$2.0 million from \$9.0 million in FY 06 to \$11.0 million in FY 07. The majority of general expenses are processed in cycles of blanket orders. As the orders are renewed, the new cost is usually higher due to inflation. The blanket orders are budgeted to include an adjustment to the CPI index. Also contributing to the increase is the takeoff in commodity prices. The increase in commodities such as aluminum and steel has triggered higher production costs which eventually are passed on to the consumer. General expenses also include the budget for motor vehicle fuel. The budget includes an increase for gasoline costs from \$167,000 in FY 06 to \$248,000 in FY 07.

Contractual services are increasing by 11% to \$23.7 million in FY 07. Of this amount \$10.5 million has been budgeted for sludge disposal. As contracts expire and are rebid, the new contract costs are usually higher due to inflation. An example of a service contract up for bid is the contract for the main engine generators.

Utility costs are growing by 11.4% to \$12.0 million in FY 07. Due to rising energy costs, utilities may fall short. The FY 06 projection is \$14.4 million or about \$3.6 million over the FY 06 budget and \$2.4 million greater than the FY 07 budget.

Debt Service is decreasing \$3.1 million from \$46.7 million in FY 06 to \$43.6 million in FY 07. The decline can be attributed to a reduction in borrowing needs from capital projects that do not develop as quickly as anticipated.

**SEWER AND STORM WATER DISTRICT**

**Sewer and Storm Water Resource District Historical Revenue**

	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Fund Balance	\$73,969,764	\$21,401,465	\$3,666,210	\$31,701,082	764.7%
Permits & Licenses	227,095	0	0	265,000	*****
Investment Income	1,499,412	3,962,130	3,150,000	1,769,735	-43.8%
Rents & Recoveries	176,590	272,638	525,000	288,164	-45.1%
Revenue Offset to Expense	0	0	241,820	162,025	-33.0%
Department Revenues	1,397,638	1,506,324	1,788,302	1,656,244	-7.4%
Capital Backcharges	928,808	82,343	451,780	463,077	2.5%
Interfund Chgs / Transfs	11,379,425	145,871,357	163,745,612	135,917,372	-17.0%
State Aid	224,072	0	0	0	0.0%
Property Tax	138,932,309	0	0	0	0.0%
<b>Total</b>	<b>\$228,735,113</b>	<b>\$173,096,257</b>	<b>\$173,568,724</b>	<b>\$172,222,699</b>	<b>-0.8%</b>

Excluding FY 04, revenue has remained steady from FY 05 through FY 07. The FY 04 actual revenue amount is larger due to property taxes. The property tax's proper location is under the Sewer and Storm Water Financing Authority. The Financing Authority is responsible for levying the taxes, utilizing the taxes for its debt service and operating needs and transferring the remaining amount to the Sewer and Storm Water Resource District. Investment income has historically increased from FY 04 to FY 07 as the Authority invests more cash in interest earning accounts. Department revenue has increased from FY 04 through FY 06 mostly due to miscellaneous receipts.

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

<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>
AA Fund Balance - BOY	\$68,433,159	\$3,666,210	\$30,090,548	\$31,701,082	(\$36,732,077)	\$28,034,872
BC Permits & Licenses	0	0	265,000	265,000	265,000	265,000
BE Investment Income	1,250,000	3,150,000	1,769,735	1,769,735	519,735	(1,380,265)
BF Rents and Recoveries	325,000	525,000	288,164	288,164	(36,836)	(236,836)
BG Revenue Offset to Expense	0	241,820	162,025	162,025	162,025	(79,795)
BH Department Revenues	1,788,302	1,788,302	1,446,244	1,656,244	(132,058)	(132,058)
BI Capital Backcharges	451,780	451,780	463,077	463,077	11,297	11,297
BW Interfund Charges	163,745,612	163,745,612	149,646,760	135,917,372	(27,828,240)	(27,828,240)
IF Interfund Transfers	0	0	0	0	0	0
<b>Grand Total</b>	<b>\$235,993,853</b>	<b>\$173,568,724</b>	<b>\$184,131,553</b>	<b>\$172,222,699</b>	<b>(\$63,771,154)</b>	<b>(\$1,346,025)</b>

The FY 07 revenue budget for the Resource District is \$172.2 million, which is a decrease of \$63.8 million compared to the FY 06 budget. This decrease results from a reduction in the fund balance,

interfund charges and rents and recoveries. The fund balance of \$31.7 million does not include the Financing Authority’s fund balance of \$39.3 million.

The FY 07 budget of \$265,000 for permits and licenses includes revenue collected for sewage connections and verifications of permits. This revenue had previously been booked in the General Fund.

Interfund charges are decreasing \$27.8 million from \$163.7 million in FY 06 to \$135.9 million. Interfund charges include the transfer of Storm Water Financing Authority tax levy and fund balance into the Sewer and Storm Water Resource District.

Departmental revenues are decreasing by roughly \$132,000 from \$1.8 million in FY 06 to \$1.7 million in FY 07. Department revenues include fees received for subdivision plan reviews, non-storm water discharges, contractual services, waste disposal and miscellaneous receipts. The decrease in revenue results from declines in miscellaneous receipts and contractual services.

<b>The Sewer And Storm Water District Staffing Analysis</b>						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	461	288	474	384	(77)	96
Part-time and Seasonal	3	15	4	4	1	(11)

Full-time staffing is decreasing by 77 positions from the FY 06 adopted budget of 461 positions to 384 positions in the Sewer and Storm Water District. This budget is an increase of 96 positions over the current staffing level. The decrease in full-time staffing from the FY 06 budget results from the removal of storm water personnel. The Sewer and Storm Water Resource District charges the General Fund for storm water personnel costs. Last year the Administration decided to budget the costs in both salaries and interfund charges. The FY 07 budget does not include the headcount and salary costs for storm water services. The costs to charge the General Fund these storm-water costs will continue to be charged from interfund charges.

The Administration has identified critical hiring needs for the Wastewater Treatment Plants and the Sewer Maintenance Plants. The following chart lists the vacant positions:

<b>Wastewater Treatment Plants</b>	
Clerk I	4
Laborer Positions	8
Maintenance Electrician	4
Industrial Waste Control Specialist I & II	4
Maintenance Lead Electrician	1
Organic Chemist II	1
Plant Maintenance Mechanic Trainee	15
Procurement Supervisor	1
Power Plant Operator Trainee	6
Storekeeper I - III	5
Sewage Treatment Plant Supervisor III	1
Sewage Treatment Plant Chemist I	3
Sewage Treatment Plant Operator Trainee	10
	63
<b>Sewer Maintenance</b>	
Auto Mechanic	2
Equipment Operator I & II	27
Groundskeeper I & II	2
Labor I & II	2
Service Operations Supervisor II	1
Sewer Maintenance Worker II	2
	36

As shown in the above chart, there are 63 vacancies in the wastewater treatment plants and 36 vacancies in Sewer Maintenance. Vacancy titles with significant openings include 15 Plant Maintenance Mechanic Trainee and 27 Equipment Operators.

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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 initiatives which have been incorporated into the FY 07 budget and baseline:

**HHS Administrative Consolidation - \$892,776**

The goal of this initiative, which continues from FY 06, is to reorganize the eight HHS departments in such a way as to maximize revenue, minimize administrative expense, enhance client-service delivery, and improve the coordination of internal support services within the vertical. DSS has entered into inter-departmental service agreements, as purchaser of Information & Referral services (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 I & R related costs for these agencies, totaling approximately \$3.0 million, will be charged back to DSS, allowing for a 65% state aid reimbursement of \$2.0 million. Since the FY 06 budget included \$1.7 million for this initiative, the amount of additional revenue to be received for I & R services in FY 07 is \$242,776.

There are two other DSS components to this initiative: revenue maximization, estimated to generate \$400,000, and administrative consolidation which is expected to save \$250,000. The first is based on the expectation that as the HHS agencies become fully integrated, more costs will be reimbursed under the DSS umbrella. The second is based on projected current savings and the reduced need to re-hire duplicative administrative positions upon retirement.

Although no savings have yet been budgeted relating to the proposed merger of the departments of Drug and Alcohol and Mental Health, the potential exists for further administrative consolidation should that merger take place. The sections on the Department of Health and Youth Board include a further discussion of this initiative.

**Persons in Need of Supervision (PINS) Diversion - \$1,006,873**

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, and were estimated based on the assumption that 83 out of 425 annual cases could be diverted. This would result in lower costs to the County of approximately \$1.0 million in FY 07 (and \$1.9 million for New York State which reimburses 65% of PINS expenditures). Depending on the seriousness of the case, residential placement can cost from \$75,000 to \$100,000 annually.

<b>Historical Expenditures</b>						
	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</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	815	856	842	866	915	5.7%
Salaries	\$41,079,904	\$44,688,925	\$47,551,759	\$49,258,436	\$53,750,837	9.1%
Misc OTPS	\$1,561,607	\$6,936,345	\$1,081,744	\$1,186,108	\$1,440,764	21.5%
Contractual Services	\$11,479,121	\$10,251,377	\$12,114,622	\$14,143,321	\$14,828,694	4.8%
Recipient Grants	\$45,989,731	\$50,239,557	\$47,850,718	\$53,401,000	\$53,676,000	0.5%
Purchased Services	\$40,477,582	\$43,086,294	\$42,773,353	\$46,012,951	\$47,865,713	4.0%
Emerg. Vendor Payments	\$47,918,497	\$47,468,080	\$51,929,051	\$53,826,200	\$53,881,103	0.1%
Medicaid	228,240,085	247,533,191	238,948,840	\$211,785,129	218,024,984	2.9%
Medicaid IGT	68,962,159	121,715,035	40,973,707	39,573,706	0	-100.0%
<b>Total</b>	<b>\$485,708,686</b>	<b>\$571,918,803</b>	<b>\$483,223,794</b>	<b>\$469,186,851</b>	<b>\$443,468,095</b>	<b>-5.5%</b>

The chart above shows DSS actual expenditures since FY 03, with a projected amount for FY 06. The number of full-time employees requested in the proposed budget is 100 more than were employed as of September 1, 2003. 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. The Medicaid IGT payment will be discussed below.

As can be seen in the chart below, the proposed \$458.9 million expense budget for the Department of Social Services is \$31.1 million less than the adopted FY 06 appropriation. This decrease results from the removal of the \$39.6 million Medicaid IGT payment from the FY 07 budget. Backing out the IGT, the actual year-to-year variance becomes an increase of \$8.5 million, or 1.9%. 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 and 6.75% in FY 07. Of the remaining direct assistance programs, recipient grants and emergency vendor payments are remaining at the FY06 projected level, while the line for purchased services is increasing by \$1.9 million, or 4.0%. Although the Medicaid IGT payment has been eliminated from the DSS budget, the County will not realize any budgetary savings because an equal amount of revenue has also been eliminated (see discussion of IGT below).

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$50,063,914	49,258,436	\$56,245,361	\$53,750,837	\$3,686,923	\$4,492,401
BB	Equipment	127,570	117,364	142,364	142,364	14,794	25,000
DD	General Expenses	1,161,243	1,068,344	1,301,500	1,298,000	136,757	229,656
DE	Contractual Services	14,198,321	14,143,321	11,684,552	14,828,694	630,373	685,373
DF	Utility Costs	400	400	400	400	0	0
	<b>Total OTPS</b>	<b>15,487,534</b>	<b>15,329,429</b>	<b>13,128,816</b>	<b>16,269,458</b>	<b>781,924</b>	<b>940,029</b>
SS	Recipient Grants	51,652,600	53,401,000	53,676,000	53,676,000	2,023,400	275,000
TT	Purchased Services	46,012,951	46,012,951	48,750,856	47,865,713	1,852,762	1,852,762
WW	Emerg Vendor Pymnts	53,060,200	53,826,200	54,387,976	53,881,103	820,903	54,903
XX	Medicaid - Local Share	214,609,343	211,785,129	218,836,353	218,024,984	3,415,641	6,239,855
XY	Medicaid - IGT	39,573,706	39,573,706	0	0	(39,573,706)	(39,573,706)
	<b>Tot. Direct Assistance</b>	<b>404,908,800</b>	<b>404,598,986</b>	<b>375,651,185</b>	<b>373,447,800</b>	<b>(31,461,000)</b>	<b>(31,151,186)</b>
HF	Inter-Dept. Charges	19,541,024	19,541,024	0	15,459,341	(4,081,683)	(4,081,683)
	<b>Grand Total</b>	<b>\$490,001,272</b>	<b>\$488,727,875</b>	<b>\$445,025,362</b>	<b>\$458,927,436</b>	<b>(\$31,073,836)</b>	<b>(\$29,800,439)</b>

The \$3.7 million, or 7.4% payroll increase will accommodate a CSEA contractual salary adjustment of 3.5% as of January 1, 2006, plus steps. In addition, budgeted headcount will grow by 42 full-time employees, while part-time positions will be reduced by nine. 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 is a 5.0% increase over the current year's appropriation, or 6.1% more than the projected FY 06 actuals. Contractual services makes up \$630,373 of the \$781,924 budget to budget increase. The department contracts for IT services, software licensing, process serving and employment assessment. The contract for PINS diversion services has been increased by \$760,000. This service had previously been performed via an interdepartmental agreement with the Department of Mental Health. New contracts have been requested for interpreter and document translation services and Medicaid fraud and abuse software. During the FY 06 budget adoption, the Legislature added \$800,000 to the DSS appropriation. This funding, \$400,000 of which was to be recurring, was intended to assist community based service organizations. In FY 06 DSS has allocated \$200,000 to recurring "infrastructure" preventive programs for foster care placements. A vendor has been chosen for \$100,000 for employment related services and DSS has drafted an RFP for a housing program for the remaining \$100,000.

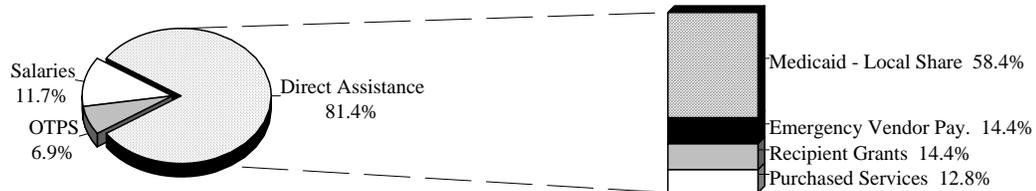
Inter-departmental charges are decreasing by \$4.1 million, or 20.9%, to \$15.5 million. These charges are intended to identify and allocate the costs incurred by other departments on behalf of the Department of Social Services. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). DSS can then receive reimbursement for its share of the charges. The \$4.3 million line for indirect 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 inter-departmental charges booked to DSS except for those related to the juvenile detention facility.

<b>Inter-Departmental Charges</b>	<b>Adopted 2006</b>	<b>Executive 2007</b>	<b>+/-</b>
Probation Charges	\$0	\$1,000,000	\$1,000,000
Printing Graphics & Mail Services	150,816	192,821	42,005
Information Technology Charges	290,352	501,347	210,995
Purchasing Charges	79,317	92,447	13,130
Fleet Maintenance Charges	14,841	18,368	3,527
Building Occupancy Charges	4,359,782	3,150,389	(1,209,393)
Workers Compensation Exp	625,500	558,706	(66,794)
Gasoline Charges	8,671	9,041	370
Telecommunication Charges	651,652	867,043	215,391
HHS Charges	6,939,412	2,414,106	(4,525,306)
County Attorney Charges	0	527,249	527,249
PDH Charges	41,520	927,747	886,227
PDH Charges (ISA)	807,987	0	(807,987)
Correctional Center Charges	0	120,000	120,000
Indirect Charges	5,215,768	4,320,553	(895,215)
District Attorney Charges	0	190,905	190,905
	\$19,185,618	\$14,890,722	(\$4,294,896)

In 2005, DSS, along with the other HHS departments, re-located to leased space at 60 Charles Lindbergh Boulevard, creating a new Health and Human Services Facility. The building occupancy charges represent the department's portion of the expenses related to the new location. The Probation charges represent the cost of officers dedicated to the PINS initiative. The PDH charges represent the costs to the Police Department for providing security. DSS has entered into inter-departmental service agreements with the Office for the Physically Challenged, the Department of Drug & Alcohol Addiction, Senior Citizens Affairs, and the Veterans Services Agency in connection with the Information & Referral (I & R) functions provided by those agencies as part of the "No Wrong Door" consolidated services policy. 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 2007 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 81.4% of the budget. Medicaid – local share comprises 58.4% 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 07 Medicaid budget of \$218.0 million, after adjusting for the difference in the state fiscal year, is 3.5% plus 3.25%, or 6.75%, greater than the FY 05 base. FY 08 will add an additional 3.0%, 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 increase in the cost of Medicaid to \$5,759,866.

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 last year's 2006 – 2009 Multi-Year Plan it was written that, "The County would choose the [sales tax swap] only if it reached the conclusion that future sales tax revenues are likely to grow an average of less than 3% per year, which at this point appears to be a very remote possibility." Although the 2005 sales tax collections finished with a disappointing 1.5% rate of growth, the average over the last five years has been 3.67%. As of October 5<sup>th</sup>, the FY06 rate of growth is 3.7%.

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.

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. Other operating funds in the County-wide budget will be utilized for the IGT. However, it is not clear at this time if there are sufficient budgeted funds to allow for the County's full participation, which would enable the Nassau Health Care Corporation to receive the maximum benefit.

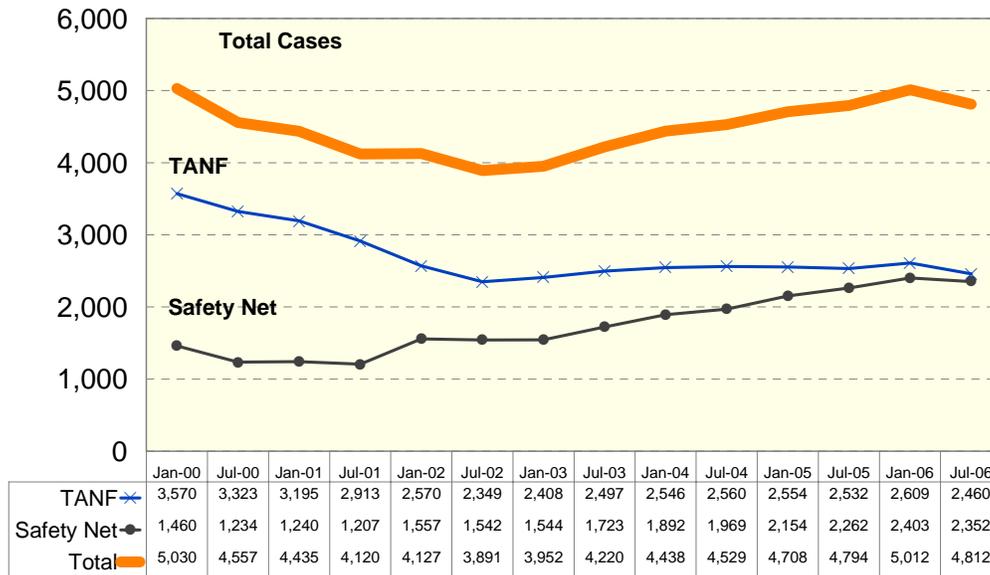
The proposed FY07 funding for recipient grants, as compared to the projected actuals for the current year, is essentially remaining flat, with a slight \$275,000 increase to \$53.7 million. The largest component of the proposed budget for recipient grants will be used to fund Temporary Assistance to Needy Families, or TANF (formerly referred to as Aid to Families with Dependent Children), which is decreasing slightly, from \$24.6 million to \$24.5 million. States receive a block grant allocation and are required to maintain a historical level of spending known as maintenance of effort. States may use TANF funding "to provide assistance to needy families so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work and marriage; to prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families."<sup>2</sup> Safety Net Assistance (formerly referred to as Home Relief), makes up the next largest piece, increasing from \$17.0 million to \$18.9 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 \$10.3 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 2006



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 31.1% since January 2000, while Safety Net cases have risen almost 61.1% in that same period. Combined, the total cases are down 4.3% 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 increasing slightly from \$2.4 million to \$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 increase by \$1.9 million, or 4.0%, from \$46.0 million to \$47.9 million. Caseload peaked at 5,000 at the end of 1999, and has averaged approximately 3,166 cases per month since then. The monthly average for the first nine months of the current year is 2,814. 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. Local Law No. 1-2006, the Living Wage Law, will become 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%. Since homemaking providers have historically been paid a low wage, DSS requested an additional \$885,000 for them in FY 07, a 28% increase. The funding was not included in the Executive Budget.

The proposed funding for emergency vendor payments is increasing slightly over the projected FY 06 amount of \$53.8 million to \$53.9 million. Projected spending in the current year is over budget due to higher enrollment than anticipated in institutions for Special Education, back billing from the State, and higher institutional rates. Emergency vendor payments costs are related to various programs, including training schools, education of handicapped children, juvenile delinquents (CC65), Children in Institutions (CC62), and Persons in Need of Supervision (PINS). Expenses cover such items as room and board, education, and childcare. The \$1.0 million savings related to the PINS diversion initiative has been factored into the proposed FY 07 budget as reduced emergency vendor payments.

The chart on the following page shows the expense amount allocated to each of the department's control centers, which corresponds to the various programmatic areas. The large year to year variance in Administration is mostly related to the substantial decrease in inter-departmental charges. The allocation for the control centers for Public Financial Assistance and the Division of Services has increased due to the additional staffing that has been planned. Contract costs are also proposed to be higher in Services due to the additional funding for the PINS contract. The removal of the \$39.6 million Medicaid IGT payment from the DSS budget accounts for the decrease in Medicaid MMIS. The departmental request of DSS did not include any funding for the inter-departmental charges of \$15.5 million which are allocated by OMB. This accounts for the additional \$13.9 million in the Executive Budget, which was offset by reductions in other areas.

**EXPENSE BUDGET  
BY CONTROL CENTER**

<b>Control Center</b>	<b>Adopted FY 06 Budget</b>	<b>Departmental Request FY 07</b>	<b>Executive FY 07</b>	<b>Variance Exec. vs. FY 06</b>	<b>Variance Exec. vs. Request</b>
10 Administration	\$27,717,619	\$8,500,075	\$23,017,299	(\$4,700,320)	\$14,517,224
20 Public Financial Assistance	33,613,441	34,805,077	35,987,081	2,373,640	1,182,004
30 Services	19,621,391	22,139,637	21,977,249	2,355,858	(162,388)
51 Juvenile Detention Center	4,139,021	3,928,388	4,497,007	357,986	568,619
52 Real Estate Expense	1,000	1,000	1,000	0	0
53 Educ. Handicapped Children	13,000,000	14,000,000	14,000,000	1,000,000	0
55 Food Stamp Program	1,000	1,000	1,000	0	0
60 Family Assistance	29,060,000	29,500,000	29,500,000	440,000	0
61 Safety Net Assistance	18,534,000	20,986,776	20,986,776	2,452,776	0
62 Children in Institutions	20,000,000	19,500,000	18,993,127	(1,006,873)	(506,873)
63 Children in Foster Homes	1,776,000	1,776,000	1,776,000	0	0
65 Juvenile Delinquents	8,560,800	8,560,800	8,560,800	0	0
66 Training Schools	2,250,000	2,000,000	2,000,000	(250,000)	0
68 Children in Institutions - 4E	2,200,000	2,200,000	2,200,000	0	0
69 Children in Foster Homes - 4E	1,815,400	1,315,400	1,315,400	(500,000)	0
70 Subsidized Adoptions	4,816,600	5,400,000	5,400,000	583,400	0
72 Burials	300,000	325,000	325,000	25,000	0
73 Medicaid MMIS	254,183,049	218,836,353	218,024,984	(36,158,065)	(811,369)
75 HEAP	2,400,000	2,500,000	2,500,000	100,000	0
76 Title XX	46,011,951	48,749,856	47,864,713	1,852,762	(885,143)
<b>Total</b>	<b>\$490,001,272</b>	<b>\$445,025,362</b>	<b>\$458,927,436</b>	<b>(\$31,073,836)</b>	<b>\$13,902,074</b>

The chart on the following page, which delineates the DSS headcount by responsibility center, shows that the proposed budget has added 42 full-time positions and eliminated 9 part-time positions. Of these positions, DSS will receive 100% reimbursement for 25 Social Welfare Examiner I's, 3 Social Welfare Examiner I, Bi-Lingual and 5 Caseworker I's. All but four of the additional examiners are associated with the Medicaid program, and their costs are included in the County's Medicaid cap amount. The remaining four examiners will be paid with New York State TANF funding. The caseworkers will be utilized in the Child Protective Services and Services to Children divisions.

The part-time positions eliminated include five Social Welfare Examiners and four Youth Group Worker Aids. DSS also employs an additional 50 individuals whose salaries are 100% grant funded.

<b>Department of Social Services Staffing Analysis</b>						
	<u>FY06</u>	<u>Sept-06</u>	<u>FY07</u>	<u>FY07</u>	<u>Exec. vs 06</u>	<u>Exec. vs</u>
	<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>Adopt</u>	<u>Actual</u>
<b>CC Full-time Staffing</b>						
<b>10 Administration</b>						
Administration	12	11	11	11	(1)	0
Support Services	24	26	29	29	5	3
Legal	8	7	7	7	(1)	0
Systems Administration	46	36	40	37	(9)	1
Staff Development	5	5	5	5	0	0
<b>Total for Control Center</b>	<b>95</b>	<b>85</b>	<b>92</b>	<b>89</b>	<b>(6)</b>	<b>4</b>
<b>20 Public Financial Assistance</b>						
Public Assistance	113	110	115	113	0	3
Community Relations & Housing	16	11	12	12	(4)	1
Medical Assistance	139	152	206	178	39	26
Support Services	18	19	20	20	2	1
Accounting	45	42	45	44	(1)	2
Jobs Program	8	8	13	13	5	5
Food Stamps	5	4	5	5	0	1
Support Collection Unit	96	91	91	91	(5)	0
<b>Total for Control Center</b>	<b>440</b>	<b>437</b>	<b>507</b>	<b>476</b>	<b>36</b>	<b>39</b>
<b>30 Services</b>						
Provider Services	295	300	306	305	10	5
<b>51 Juvenile Detention Center</b>						
NC Juvenile Detention Center	43	44	45	45	2	1
<b>Total Full-time</b>	<b>873</b>	<b>866</b>	<b>950</b>	<b>915</b>	<b>42</b>	<b>49</b>
<b>CC Part-time and Seasonal</b>						
<b>10 Administration</b>						
Support Services	24	24	25	25	1	1
Legal	15	14	14	14	(1)	0
Legal	1	1	1	1	0	0
Systems Administration	8	9	10	10	2	1
<b>Total for Control Center</b>	<b>24</b>	<b>24</b>	<b>25</b>	<b>25</b>	<b>1</b>	<b>1</b>
<b>20 Public Financial Assistance</b>						
Public Assistance	46	35	36	36	(10)	1
Public Assistance	17	13	13	13	(4)	0
Community Relations & Housing	1	0	0	0	(1)	0
Medical Assistance	15	15	15	15	0	0
Accounting	2	1	1	1	(1)	0
Jobs Program	1	1	1	1	0	0
Food Stamps	2	0	0	0	(2)	0
Support Collection Unit	8	5	6	6	(2)	1
<b>Total for Control Center</b>	<b>46</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>(10)</b>	<b>1</b>
<b>30 Services</b>						
Provider Services	54	59	58	58	4	(1)
<b>51 Juvenile Detention Center</b>						
NC Juvenile Detention Center	33	28	29	29	(4)	1
<b>Total Part-time and Seasonal</b>	<b>157</b>	<b>146</b>	<b>148</b>	<b>148</b>	<b>(9)</b>	<b>2</b>

The chart below shows the revenue realized by DSS since FY 03, with an estimated amount for FY 06. 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 will receive \$7.5 million for Medicaid recoveries.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$1,500,000	\$0	-100.0%
Rents & Recoveries	12,098,074	9,816,174	4,160,052	10,299,304	0	-100.0%
Department Revenues	77,014,576	132,093,118	13,629,115	9,467,000	10,549,000	11.4%
Interdepartmental Rev.	0	0	20,912	0	0	0.0%
Medicaid IGT Reimburs.	0	0	38,533,915	39,573,706	0	-100.0%
Federal Aid	88,712,656	98,499,384	92,292,495	93,385,606	94,359,361	1.0%
State Aid	100,259,858	113,638,696	85,409,721	66,946,155	70,532,586	5.4%
<b>Total</b>	<b>\$278,085,164</b>	<b>\$354,047,372</b>	<b>\$234,046,211</b>	<b>\$221,171,771</b>	<b>\$175,440,947</b>	<b>-20.7%</b>

In providing social services to the citizens of Nassau, the County receives substantial assistance from the federal government (projected at \$93.4 million for FY 06) and New York State (projected at \$66.9 million). The chart below shows FY 07 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, 68.4% 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.

**FY 07 FEDERAL AND STATE AID  
BY CONTROL CENTER**

Control Center	Expenses	\$			%
		Federal Aid	State Aid	Federal/ State Funded	Federal/ State Funded
Administration	\$23,017,299	\$4,125,015	\$8,846,918	\$12,971,933	56.4%
Public Financial Assistance	35,987,081	22,471,891	17,223,654	39,695,545	110.3%
Division of Services	21,977,249	10,242,553	6,529,061	16,771,614	76.3%
Juvenile Detention Center	4,497,007	0	3,088,613	3,088,613	68.7%
Real Estate Expense	1,000	0	0	0	0.0%
Educ. Handicapped Children	14,000,000	0	5,600,000	5,600,000	40.0%
Food Stamp Program	1,000	0	0	0	0.0%
TANF	29,500,000	8,260,000	7,965,000	16,225,000	55.0%
Safety Net Assistance	20,986,776	0	9,113,719	9,113,719	43.4%
Children in Institutions	18,993,127	11,700,000	1,950,000	13,650,000	71.9%
Children in Foster Homes	1,776,000	888,000	492,840	1,380,840	77.8%
Juvenile Delinquents	8,560,800	3,518,289	1,284,120	4,802,409	56.1%
Training Schools	2,000,000	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	1,315,400	601,613	460,250	1,061,863	80.7%
Subsidized Adoptions	5,400,000	2,052,000	2,565,000	4,617,000	85.5%
Burials	325,000	0	5,000	5,000	1.5%
HEAP	2,500,000	2,500,000	0	2,500,000	100.0%
Title XX	47,864,713	28,000,000	4,308,411	32,308,411	67.5%
Sub-Total	<b>240,902,452</b>	<b>94,359,361</b>	<b>70,532,586</b>	<b>164,891,947</b>	<b>68.4%</b>
Medicaid MMIS	218,024,984	0	0	0	0.0%
Total	<b>\$458,927,436</b>	<b>\$94,359,361</b>	<b>\$70,532,586</b>	<b>\$164,891,947</b>	<b>35.9%</b>

The chart on the following page displays the department’s revenue budget by revenue class. Federal aid is anticipated to rise by 1.0% over the current year’s projection to \$94.4 million. In FY 06 state aid is projected to exceed budget by \$7.7 million. This results from the way the Medicaid cap was implemented, and represents reimbursement for administrative costs above the capped amount (administrative costs had already been included in the base). The FY 07 state aid increase over the current year’s projection is \$3.6 million, or 5.4%. DSS will also receive approximately \$2.0 million in state aid as reimbursement for its Information & Referral services on behalf of other agencies in the HHS vertical. That is approximately \$243,000 more than what was budgeted in FY 06. The line for rents and recoveries is made up of revenue received from recoveries and liens. In FY 06 \$3.4 million was budgeted for a settlement with the State relating to the County’s overpayment in prior years for the treatment of Medicaid eligible individuals with mental health problems. A total of \$7.3 million has subsequently been received. There is no rents and recoveries revenue in the FY 07 budget. Another FY 06 revenue source zeroed out in the proposed budget is the \$1.5 million that was appropriated from fund balance to involve community based not-for-profits in joining the ‘No Wrong Door’ initiative.

**REVENUE BUDGET**

Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
AA Fund Balance	\$1,500,000	\$1,500,000	\$0	\$0	(\$1,500,000)	(\$1,500,000)
BF Rents & Recoveries	3,408,364	10,299,304	0	0	(3,408,364)	(10,299,304)
BH Depart. Revenues	9,467,000	9,467,000	9,899,000	10,549,000	1,082,000	1,082,000
BX Medicaid IGT Reimb.	39,573,706	39,573,706	0	0	(39,573,706)	(39,573,706)
FA Fed. Aid - Reimb Exp	94,665,063	93,385,606	95,717,833	94,359,361	(305,702)	973,755
SA State Aid - Reimb Exp	59,204,417	66,946,155	57,445,309	70,532,586	11,328,169	3,586,431
<b>Grand Total</b>	<b>\$207,818,550</b>	<b>\$221,171,771</b>	<b>\$163,062,142</b>	<b>\$175,440,947</b>	<b>(\$32,377,603)</b>	<b>(\$45,730,824)</b>

**Out-Year Initiatives**

The following out-year initiatives have been included in the FY 07 – 10 Multi-Year Financial Plan:

NAME	FY 2008	FY 2009	FY 2010
PINS Diversion	\$1,057,216	\$1,110,077	\$1,165,581
HHS Administrative Consolidation *	\$1,592,776	\$1,992,776	\$1,992,776
Program Reductions *	\$890,000	\$890,000	\$890,000
* (DSS component only)			

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 07 budget and baseline, this initiative is projected to grow by 5% annually from FY 08 to FY 09. This would result in further cost reductions of \$57,000 in FY 08, \$111,000, in FY 09, and \$166,000 in FY 10.

The **HHS administrative consolidation** was discussed earlier. Compared to the \$892,776 that has been incorporated into the FY 07 budget and baseline, the MYP anticipates that this initiative will provide additional out-year budgetary relief of \$700,000 in FY 08 and \$400,000 in FY09. These amounts are net of any available reimbursement. The ISA component is projected to grow \$150,000 annually in FY 08 and FY 09. Revenue maximization is increasing by \$100,000 and administrative consolidation by \$50,000 in FY 08. Two new components are added in FY 08 – CMS contracts for \$150,000 and other mergers for \$250,000 (with an additional \$250,000 in FY 09).

The **program reductions** initiative, beginning in FY 08, will be made up of cuts in contractual costs for non-mandated programs in Health and Human Services departments. The bulk of the savings, \$890,000 annually in years FY 08 through FY 10, would come from DSS. The programs affected would include Homemaker and Salary Enhancement Services, and Title III-B, which provides medical transportation, support and legal services, and home energy assistance. See the sections on the Department of Senior Citizens and Youth Board for a description of the other components of this initiative.

## 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.

### **TPVA Operational Re-engineering - \$1,500,000**

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

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

TPVA has made significant strides in increasing revenue, more than doubling its revenue receipts since FY 03. The Agency has overcome many obstacles to achieve its current status, not the least of which was staffing. The Agency is anticipating a 8.9% or \$1.7 million increase over the current year's projected fine & forfeits revenue, primarily due to the **Operational Re-engineering** initiative.

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

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

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

The increase in written and entered tickets calls for the speedier adjudication of the violations. To meet this challenge, the Agency has hired additional prosecutors and judicial hearing officers, scheduled more trials and conferences and expanded its hours to accommodate the extra workload. Additionally, the County plans to enter into an MOU with various municipalities within Nassau County which will increase revenue. The Agency currently receives 17.5% of the revenue generated from tickets issued by Nassau County municipalities for adjudicating tickets. The MOU will increase Nassau County share from 17.5% to 25% with the remaining portion going to the issuing municipality. The Agency stated that the recent and future technology enhancements justify the allocation increase and there is indication that the municipalities will agree to the new agreement. It also intends better usage of Law Enforcement Systems (LES), the vendor that collects delinquent parking tickets. With the expectation that more collections will be done in-house due to the **Operational Re-engineering** initiative, the Agency predicts less usage of LES and less contractual service expenses.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	29	32	37	45	50	11.1%
Salaries	\$1,427,210	\$1,869,549	\$2,316,220	\$2,344,835	\$2,829,914	20.7%
Misc OTPS	96,573	116,191	153,950	165,167	314,438	90.4%
Contractual Services	907,562	702,968	950,624	1,035,495	851,905	-17.7%
<b>Total</b>	<b>\$2,431,345</b>	<b>\$2,688,707</b>	<b>\$3,420,794</b>	<b>\$3,545,497</b>	<b>\$3,996,257</b>	<b>12.7%</b>

The agency experienced on the average 20.4% annual increases in expenditures from FY 03 through FY 05 and expects to have a 12.7% increase in FY 07. The increases are chiefly attributed to rising salary costs. From the beginning, TPVA had been understaffed. When it opened in 1995, TPVA was budgeted for a staff of 51, yet headcount consisted of 23 full time employees. The Comptroller’s Office conducted two different audits, in 1997 and 2002, and at the request of the Legislative Minority, the Office of Legislative Budget Review (OLBR) issued a report in 2000 on the status of TPVA. Both offices made recommendations regarding staffing and technology that the previous Administration failed to implement. Over the years, staffing levels improved somewhat, but never to its full complement to ensure TPVA’s success, until the past couple of years when those levels climbed gradually. In addition to staffing improvements, equipment was updated, efficiencies of operations were implemented, including improvements in technology, telephone systems, infrastructure and customer service, physical space was maximized and payment methods were broadened. For example, TPVA has recently extended its hours of operation and is currently open six days a week including Tuesday, Wednesday and Thursday evenings and Saturday mornings. Also, the Agency implemented an amnesty program in the first part of 2005 which generated \$1.18 million of unbudgeted revenue.

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

OLBR is projecting the current year’s salaries to be below budget by \$101,380 due to ten budgeted full-time positions that are working in a part-time role. This is partially offset by an increased usage of differential pay which is expected to be over budget by \$34,000. The 2007 expense budget is increasing

over the FY 06 projection by approximately 12.7%, or \$450,760 primarily due to a growth in salaries to fund the five additional full-time positions and one more part-time employee. However, the Administration expects there to be a \$75,000 decrease in overtime.

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

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

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

**Out-Year Initiatives**

<b>NAME</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Ticket Processing Surcharge	\$1,500,000	\$1,500,000	\$1,500,000

The **ticket processing surcharge** will increase the existing surcharge of \$15 on speeding tickets to \$25 and the \$10 surcharge on parking tickets to \$15. The \$1.5 million in the out-years is based on current ticket collections which usually run about 55% for moving and approximately 45% for parking tickets. Since the County has been unsuccessful in the past in securing legislation for this initiative, it seems unlikely that this revenue will be realized.

**TRAFFIC SAFETY BOARD**

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 crashes. 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 Board continues to pursue grants from state and national sources to fund specific safety programs and campaigns.

The Stop-DWI program has been actively involved in the effort to lower the number of alcohol related fatalities and injuries in the County. Prevalent emphasis is in deterring drunk driving through self-supporting "STOP-DWI" efforts. Fines from convictions provide funds for law enforcement, prosecution, probation, rehabilitation and education as well as the administration of the program.

<b>Historical Revenue</b>						
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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	\$39,043	\$0	(\$400)	\$0	\$0	0.0%
Departmental Revenue	150,000	183,000	160,000	175,000	175,000	0.0%
<b>Total</b>	<b>\$189,043</b>	<b>\$183,000</b>	<b>\$159,600</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>0.0%</b>

Revenue for the Traffic Safety Board has been slightly diminished over the past few years as a result of transferring fines collected for handicapped parking violations in fines & forfeitures and posting them into the Grant Fund. This revenue is used for handicapped parking related issues such as education and enforcement. This has been offset somewhat by a growth in funding for the DWI program.

<b>REVENUE BUDGET</b>						
	<b>Adopted</b>	<b>OLBR</b>	<b>FY 07</b>	<b>FY 07</b>	<b>Variance</b>	<b>Variance</b>
<b>Revenue Class</b>	<b>FY 06</b>	<b>FY 06</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 06</b>	<b>FY 06 Proj.</b>
BH Departmental Revenues	175,000	175,000	175,000	175,000	0	0
<b>Grand Total</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$0</b>

The 2007 departmental revenue is remaining flat with that of the 2006 budget. The 2007 budgeted revenue of \$175,000 is money the Traffic Safety Board receives from grants for DWI enforcement and seat belt safety programs for their administrative and public information services.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	3	3	2	2	2	0.0%
Salaries	\$192,491	\$203,049	\$189,044	\$190,970	\$191,847	0.5%
Misc OTPS	455	50	171	150	552	268.0%
<b>Total</b>	<b>\$192,946</b>	<b>\$203,099</b>	<b>\$189,215</b>	<b>\$191,120</b>	<b>\$192,399</b>	<b>0.7%</b>

Salaries make up the bulk of the Board’s expenses. Headcount dropped by one in FY 05 so expenses declined as well. The slight increase in expenses is due to COLAs for the Traffic Safety Educator and the Assistant Executive Secretary of Traffic Safety.

<b>EXPENSE BUDGET BY OBJECT CLASS</b>							
<b>Obj</b>	<b>Name</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Executive</b>	<b>Variance Executive vs Adopted</b>	<b>Variance Executive vs FY 06 Proj.</b>
AA	Salaries	\$190,776	\$190,970	\$191,874	\$191,847	\$1,071	\$877
DD	General Expenses	600	150	0	552	(48)	402
<b>Total</b>		<b>\$191,376</b>	<b>\$191,120</b>	<b>\$191,874</b>	<b>\$192,399</b>	<b>\$1,023</b>	<b>\$1,279</b>

Salaries are increasing by the COLAs of the two employees on staff. General expenses are decreasing slightly in 2007.

<b>Traffic Safety Board Staffing Analysis</b>						
	<b>FY 06 <u>Adopted</u></b>	<b>Sept-06 <u>Actual</u></b>	<b>FY 07 <u>Request</u></b>	<b>FY 07 <u>Executive</u></b>	<b>Exec. vs <u>06 Adopt</u></b>	<b>Exec. vs <u>Actual</u></b>
Full-time Staffing	2	2	2	2	0	0

Full-time staffing is remaining stable at two.

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**COUNTY TREASURER**


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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 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Exec.</b>	<b>Proj./Exec.</b>
Interest Penalty on Tax	\$22,455,742	\$22,683,567	\$21,369,228	\$23,614,269	\$24,650,000	4.4%
Fines & Forfeits	11,879	13,840	8,801	6,847	10,000	46.0%
Investment Income	6,143,324	9,909,883	17,316,057	19,722,502	19,600,000	-0.6%
Rents & Recoveries	92,912	15,578	578,107	61,932	0	-100.0%
Dept Revenues	568,146	879,557	542,436	687,037	420,000	-38.9%
Pay Lieu Tax - Payment	0	0	4,298,403	0	0	0.0%
Special Taxes	5,632,158	5,114,033	5,227,960	4,612,069	3,096,250	-32.9%
<b>Total</b>	<b>\$34,904,162</b>	<b>\$38,616,458</b>	<b>\$49,340,992</b>	<b>\$48,704,656</b>	<b>\$47,776,250</b>	<b>-1.9%</b>

Historically revenue has increased from \$34.9 million in FY 03 to \$47.8 million estimated for FY 07 due primarily to investment income. 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 in FY 05 results from rising interest rates and increased cash flow borrowings. Interest penalty on taxes have remained steady from FY 03 to FY 07. 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 dip in FY 05 results from the hockey league strike. The 32.9% decline in FY 07 special taxes results from the entertainment ticket surcharge tax and the hotel/ motel tax.

**REVENUE BUDGET**

Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Exec. vs Adopted 06	Variance Exec. Vs FY 06 Proj.
BA Int Penalty On Tax	\$24,000,000	\$23,614,269	\$24,650,000	\$24,650,000	\$650,000	\$1,035,731
BD Fines & Forfeits	8,000	6,847	10,000	10,000	2,000	3,153
BE Invest Income	13,473,840	19,722,502	18,000,000	19,600,000	6,126,160	(122,502)
BF Rents & Recoveries	0	61,932	0	0	0	(61,932)
BH Dept Revenues	440,000	687,037	420,000	420,000	(20,000)	(267,037)
TX Special Taxes	4,560,000	4,612,069	3,425,000	3,096,250	(1,463,750)	(1,515,819)
<b>Total</b>	<b>\$42,481,840</b>	<b>\$48,704,656</b>	<b>\$46,505,000</b>	<b>\$47,776,250</b>	<b>\$5,294,410</b>	<b>(\$928,406)</b>

The proposed revenue budget of the Treasurer’s office is increasing by \$5.3 million, or 12.5% to budget. This increase is mostly due to greater investment income. Due to rising interest rates and cash flow borrowings, investment income has accumulated. The FY 06 projection of \$19.7 million results in a surplus of \$6.2 million. The FY 07 budget is in line with the current year’s projection.

The special taxes line of the Treasurer’s Department revenues is where the County budgets for the entertainment tax, a portion of the hotel/motel tax and the Belmont admissions tax. Special taxes are decreasing by \$1.5 million from the FY 06 budget to \$3.1 million in FY 07. This decline results from all three pieces that make up the budget: the entertainment tax, 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 the bill retroactively from January 1, 2006 to December 31, 2007. The collections of this tax are budgeted in the Treasurer’s department, the Parks General Fund and the Parks Grant Fund. In FY 05 the County Treasurer received 75% of the collections. The extended bill changes the allocation of the sales tax in FY 06 and FY 07. In FY 06 the Treasurer’s department will receive half of the amount received in FY 05 or 37.5%. The Parks Fund and Parks Grant Fund will receive the remaining 62.5% to promote tourism and provide assistance to museums and the Old Bethpage Village for new exhibits. In FY 07 the County Treasurer will receive 25% of the 2005 amount or 18.75%. With gross revenues anticipated of \$3.5 million, the Treasurer’s Office has budgeted \$656,250 for its portion of the hotel/motel tax. This is a conservative estimate. Please refer to the appendix for more details on the distribution of the hotel/motel tax.

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 07 budget is decreasing \$600,000 from \$3.0 million in FY 06 to \$2.4 million. The FY 06 projection of \$3.0 million is on target with the FY 06 budget. The decrease expected in FY 07 if because of lower State remittances.

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 06, \$51,000 has been collected. In FY 05 \$167,000 had been collected from the racetrack tax. The FY 07 budget is decreasing \$20,000 from \$60,000 in FY 06 to \$40,000.

Departmental revenues are collected from such sources as the holding of cash bail, fees for bounced checks and court and trust fund cases. This revenue source is decreasing from \$440,000 in FY 06 to \$420,000. The FY 06 projection for departmental revenues is \$687,000; therefore the FY 07 budget appears achievable.

Interest penalty on taxes, increasing by \$650,000, is made up of interest and penalties collected on late and delinquent taxes, and various tax lien related items. Proposed legislation includes revenue fee increases for advertising notices of tax lien sales to adjust annually by the Consumer Price Index (CPI). The FY 06 projection is \$23.6 million or \$386,000 under budget.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	45	44	44	45	45	0.0%
Salaries	\$2,193,196	\$2,328,473	\$2,509,006	\$2,662,619	\$2,674,614	0.5%
Misc OTPS	269,508	256,467	253,751	310,581	312,100	0.5%
Contractual Services	1,100,443	490,854	1,006,225	559,260	586,560	4.9%
Other Expenditures	2,000,000	0	10,843,332	0	25,000,000	*****
<b>Total</b>	<b>\$5,563,147</b>	<b>\$3,075,794</b>	<b>\$14,612,314</b>	<b>\$3,532,460</b>	<b>\$28,573,274</b>	<b>708.9%</b>

As shown in the headcount chart above the headcount has remained stable from FY 03 through FY 07. The increased salaries from FY 03 can be attributed to annual COLA increases. Contractual services have decreased from \$1.1 million in FY 03 to \$587,000 in FY 07 due to a decrease in miscellaneous contracts. The \$1.0 million spent in FY 05 included expenses paid to hire an arbitrage consultant to advise the County on arbitrage policies.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Executive vs Adopted	Variance Executive vs FY 06 Proj.
AA	Salaries	\$2,683,193	\$2,662,619	\$2,674,614	\$2,674,614	(\$8,579)	\$11,995
BB	Equipment	9,913	9,120	10,100	10,100	187	980
DD	General Expenses	327,675	301,461	302,000	302,000	(25,675)	539
DE	Contractual Services	559,260	559,260	586,560	586,560	27,300	27,300
87	Other Suits & Damages	0	0	0	25,000,000	25,000,000	25,000,000
	<b>Total OTPS</b>	<b>896,848</b>	<b>869,841</b>	<b>898,660</b>	<b>25,898,660</b>	<b>25,001,812</b>	<b>25,028,819</b>
	<b>Grand Total</b>	<b>\$3,580,041</b>	<b>\$3,532,460</b>	<b>\$3,573,274</b>	<b>\$28,573,274</b>	<b>\$24,993,233</b>	<b>\$25,040,814</b>

The proposed FY 06 budget is increasing significantly by \$25.0 million to \$28.6 million in FY 07 due to the addition of \$25 million in other suits and damages. This amount has been added to the Treasurer’s budget to pay tax certiorari payments. Previously, tax certiorari payments were paid from the County’s Capital Budget.

The FY 07 budget for salaries remains unchanged at \$2.7 million. The budget includes a 3.5% CSEA contractual salary increase effective January 1, 2007. However this increase has been offset by a reduction in overtime. In FY 05, as part of the Assessment and Assessment Review reform initiative, the department increased staff and overtime to help accelerate tax refund payments. This was necessary to bring the outstanding liability down to a manageable level so that the County could stop borrowing to fund the payments.

The FY 07 budget of \$302,000 for general expenses includes office supplies, equipment maintenance and postage expenses. The contractual services budget is increasing minimally by \$27,000 to \$587,000.

**County Treasurer  
Staffing Analysis**

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	47	45	45	45	(2)	0

The proposed FY 07 staffing is a decrease of two full time positions from the FY 06 budget, and remains unchanged from the current staffing level. The change in headcount results from the removal of one Clerk Typist and Two Claims Settlement Agents offset by the addition of one Deputy County Treasurer.

**GENERAL FUND UNALLOCATED REVENUES**

The General Fund Unallocated Revenue represents non-departmental revenues. These revenues include sales tax, general fund property tax, payments in lieu of taxes, and profits from Off-Track Betting. Total FY 07 General Fund unallocated revenues are increasing 7.6% from the adopted FY 06 budget. The increase is predominantly a function of greater countywide sales tax in the amount of \$31.8 million and property tax of \$63.4 million. FY 07 OTB profits are budgeted at \$1.8 million less than last year's adopted budget. Total profits of \$3.8 million have been recorded as \$3.0 million in OTB profits, and \$870,000 as department revenues, per the County's Support Agreement in relation to the Series 2005 Revenue Bonds. The increase in property tax of \$63.4 million reflect the fund consolidation of the Fire Commission and Parks, Recreation and Museums. OBT 5% surcharge remains constant from previous years.

<b>UNALLOCATED REVENUES BY OBJECT CLASS</b>							
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. Vs FY 06 Proj.</b>	
AA Fund Balance	\$5,000,000	\$5,000,000	\$0	\$10,000,000	\$5,000,000	\$5,000,000	
BD Fines & Forfeits	2,195,552	2,195,552	2,595,552	2,595,552	400,000	400,000	
BH Dept. Revenues	0	870,000	870,000	870,000	870,000	0	
BJ Interdept Revenues	46,447,223	46,447,223	0	38,449,676	(7,997,547)	(7,997,547)	
BO PILOT	4,500,000	4,500,000	5,914,000	5,914,000	1,414,000	1,414,000	
BS OTB Profits	5,655,000	4,000,000	3,030,000	3,030,000	(2,625,000)	(970,000)	
BW Interfund Revenue	22,225,667	22,225,667	20,833,134	20,833,134	(1,392,533)	(1,392,533)	
SA State Aid	0	0	1,000,000	1,000,000	1,000,000	1,000,000	
TA Sales Tax-Ctywide	936,369,365	918,741,212	968,142,293	968,142,293	31,772,928	49,401,081	
TB Sales Tax-Part Cty	65,421,278	65,421,278	62,771,629	62,771,629	(2,649,649)	(2,649,649)	
TL Property Tax	80,016,368	81,910,097	143,437,984	143,437,984	63,421,616	61,527,887	
TO OTB 5 % Tax	6,500,000	6,500,000	6,500,000	6,500,000	0	0	
<b>Total</b>	<b>\$1,174,330,453</b>	<b>\$1,157,811,029</b>	<b>\$1,215,094,592</b>	<b>\$1,263,544,268</b>	<b>\$89,213,815</b>	<b>\$105,733,239</b>	

The major changes in the Unallocated Revenues section are detailed below:

**Fines & Forfeits** This line is where the County budgets for forfeited bail and fines. These revenues are increasing by \$400,000 from their FY 05 budgeted amounts. Fine revenues budgeted in this line are levied by the Court System and are recorded by the Treasurer.

**Interdepartmental revenues** This line represents an allocation of indirect administration charges incurred by one department on behalf of another department. Corresponding revenues get booked to the department providing the service. These charges include payroll costs, purchasing, building operations and security. As explained by the Office of Management and Budget Review, "Most governmental units provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally-supported awards are performed within the

individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefited activities on a reasonable and consistent basis.”<sup>1</sup>

### **OTB Profits and 5% Surcharges**

OLBR anticipates that OTB profits will be \$4.0 million in FY 06, \$1.7 million short of the \$5.7 million that was budgeted. This is down from the \$5.5 million collected in 2005 and \$7.0 million collected in 2004. Of the \$4.0 million, \$870,000 is reflected as department revenue pursuant to the Support Agreement as per the 2005 Nassau County Revenue Bonds. The decreased profit is due primarily to increased regulatory fees, the 2004 “hold harmless” harness tracks agreement, and a change in the accounting of labor capitalization costs. It is anticipated that this downward trend in profit revenues will continue, but at a lesser rate than in previous years. Profits are diminishing over OMB’s 4-year plan from \$3.0 million in FY 07 to \$1.9 million in FY 10.

The revenue received from the 5.0% surcharge has decreased slightly over the past few years. In 2004, NCOTB collected \$7.0 million and \$6.9 million in 2005. We are projecting comparable surcharge revenue collections of \$6.5 million in 2006, as adopted in the 2006 budget. Revenues are projected to be down from 2005 due to 1) a one-time gain in 2005 of approximately \$345,000, as a result of an Internet gaming settlement award and 2) an increase from 2005 in bond interest and principal expense of approximately \$240,000 and \$728,000 respectively. The Internet gaming revenue was a one-time collection in 2005 relating to a settlement between Television Games Network (TVG), New York Racing Association (NYRA) and the regional OTB’s. TVG agreed to cease operations and award damages to NYRA and regional OTB’s. In addition, depreciation costs of IT projects have increased by 6.12% and labor capitalization expenses are expected to increase by close to \$500,000. Labor capitalization expenses are those costs that are financed to reflect the time spent by employees on capital projects.

**Interfund revenue** The interfund revenue line is decreasing by 6.3%. The line is used to budget for reimbursement of Sewer and Storm Water Resource District OTPS, PS and workers compensation expenses. The expense is recorded in the Sewer District Fund as an interfund charge. This funding reimburses the General Fund for personnel costs related to storm water operations. There are approximately 100 full-time positions in the General Fund that are responsible for storm water operations. The Sewer and Storm Water District Fund budgets these expenses under interdepartmental charges to reimburse the General Fund for these costs incurred on behalf of the Sewer and Storm Water District Fund.

**Sales Tax** In FY 07, OMB projects sales tax collections to grow by 3.4%. For a more detailed analysis, see the sales tax section in the Executive Summary.

**Property tax** In FY 07 the General Fund allocation of County property tax revenue is increasing by 79.3%. This is due to the consolidation of the Parks and Fire Funds into the General Fund. For more discussion of the FY 06 property tax changes on all funds see the Executive Summary.

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<sup>1</sup>OMB Circular No. A-87: Cost Principles for State, Local and Indian Tribal Governments Attachment C

VETERANS SERVICES AGENCY

The Veterans Service Agency advocates for the benefits and needs of U.S. veterans. Its authority was established through Article 17, Section 359 of New York State law. The Agency files claims on behalf of veterans and dependents with the U.S. Veterans Administration and provides advice and guidance in connection with those claims, which include service-connected compensation, widow’s benefits, educational benefits, hospitalization and dental care, along with mortgages and tax exemptions on real property. The Agency will continue to embark upon an initiative to allow veterans to replace the benefits that they receive from the Department of Social Services with veteran benefits. Veteran Services plans to staff two employees at the Department of Social Services work site. The Agency claims that initiative will increase the amount of benefit received by the veteran and also save the County money. The veteran benefit is fully reimbursable from the federal government while the benefit distributed by the Department of Social Services is partially reimbursable.

Historical Expenditures						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
Full-time Headcount	9	8	9	9	9	0.0%
Salaries	\$551,505	\$522,698	\$547,953	\$581,655	\$604,137	3.9%
Misc OTPS	4,118	47,931	3,747	6,295	15,847	151.7%
<b>Total</b>	<b>\$555,624</b>	<b>\$570,630</b>	<b>\$551,700</b>	<b>\$587,950</b>	<b>\$619,984</b>	<b>5.4%</b>

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 is attributed to the irregular charge for equipment expenses in 2004. The FY 07 proposed budget will have a 5.4% or \$32,034 increase in expenditures over our office’s FY 06 projection.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Executive	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
AA	Salaries, Wages & Fees	\$568,144	\$581,655	\$604,136	\$604,137	\$35,993	\$22,482
DD	General Expenses	5,595	5,595	15,147	15,147	9,552	9,552
DE	Contractual Services	700	700	700	700	0	0
	<b>Total OTPS</b>	<b>6,295</b>	<b>6,295</b>	<b>15,847</b>	<b>15,847</b>	<b>9,552</b>	<b>9,552</b>
HF	Inter-Depart Charges	343,706	343,706	0	218,238	(125,468)	(125,468)
	<b>Grand Total</b>	<b>\$918,145</b>	<b>\$931,656</b>	<b>\$619,983</b>	<b>\$838,222</b>	<b>(\$79,923)</b>	<b>(\$93,434)</b>

OLBR is projecting the FY 06 salaries to be \$581,655. The proposed budget is \$22,482 more than our projection, mainly to cover the cost of the CSEA contractual raises. Our office expects the FY 06 actual salary expenses to be over the FY 06 adopted budget by \$13,511, primarily due to unbudgeted salary increases. The proposed budget includes nine full-time positions which reflect the current staffing level.

The general expenses FY 07 budget is expected to escalate by 171% or \$9,552 over the current budget and OLBR’s projection. The increase is a result of rising miscellaneous supplies and expenses. The Administration plans to purchase and distribute American flags to family members of deceased war veterans on Memorial Day, which constitutes a large portion of the increase. The contractual services account will include expenses for software contracts in the amount of \$700.

Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges had been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Veteran Services. The inter-departmental charges will decrease by \$125,468 primarily due to a decrease in building occupancy charges. The largest components of the inter-departmental charges are for information technology costs of \$73,588, indirect charges of \$63,055 and building occupancy charges of \$36,698.

<b>Veterans Services Agency Staffing Analysis</b>						
	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	9	9	9	9	0	0

The staffing levels are budgeted to remain flat.

<b>Historical Revenue</b>						
	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Exec.</u>	<u>% Change Proj./Exec.</u>
Rents & Recoveries	\$0	\$21	\$158	\$0	\$0	0.0%
State Aid	44,600	0	67,500	32,500	35,000	7.7%
<b>Total</b>	<b>\$44,600</b>	<b>\$21</b>	<b>\$67,658</b>	<b>\$32,500</b>	<b>\$35,000</b>	<b>7.7%</b>

The Agency experienced a \$44,579 decline in revenue in FY 04, however in FY 05 realized a comeback with an increase of \$67,637 in revenue. The pattern over the two-year period was caused by receiving no state aid revenue in FY 04.

<b>REVENUE BUDGET</b>						
<b>Revenue Class</b>	<b>Adopted FY 06 Budget</b>	<b>OLBR FY 06 Projection</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Exec. Budget</b>	<b>Variance Exec. vs Adopted 06</b>	<b>Variance Exec. vs FY 06 Proj.</b>
BJ Interdepartmental Revenues	\$1,000,000	\$899,156	\$0	\$584,984	(\$415,016)	(\$314,172)
SA State Aid - Reimbursable	32,500	32,500	35,000	35,000	2,500	2,500
<b>Grand Total</b>	<b>\$1,032,500</b>	<b>\$931,656</b>	<b>\$35,000</b>	<b>\$619,984</b>	<b>(\$412,516)</b>	<b>(\$311,672)</b>

The FY 06 aggregate revenue budget of the department is projected to decrease by \$412,516. State aid revenue is anticipated to slightly increase by \$2,500 when compared to the FY 06 budget. The County receives from New York State \$5,000 for the first 100,000 population, plus \$2,500 for each additional 100,000 people. The Administration has also allocated \$584,984 in inter-departmental revenue for FY 07. 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. According to the Administration updates are being made to inter-departmental revenues. The new proposed budget for this revenue class will either be \$838,222 or \$803,222 depending on the Administration’s findings from current investigations. Our office is projecting \$899,156 in 2006, \$100,844 lower than budgeted.

**NASSAU COUNTY YOUTH BOARD**

Nassau County’s Youth Board works to coordinate, sponsor and evaluate youth development services in Nassau County. The Youth Board’s primary function is to serve as a fiscal and monetary agent for a variety of youth and family development programs through a network of 40 community-based, not-for-profit agencies.

**HHS Administrative Consolidation - \$144,000**

This initiative expects to realize \$144,000 in savings by assigning Article 6 State Aid for programs that reside in the Youth Board, but can qualify for aid if claimed through the health department. The goal of this initiative, which continues from FY 06, is to reorganize the eight HHS departments in such a way as to maximize revenue, minimize administrative expense, enhance client-service delivery, and improve the coordination of internal support services within the vertical.

<b>Historical Expenditures</b>						
	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Projected</b>	<b>FY 07 Exec.</b>	<b>% Change Proj./Exec.</b>
Full-time Headcount	7	7	7	6	8	33.3%
Salaries	\$525,190	\$514,490	\$545,592	\$479,237	\$540,757	12.8%
Inter-departmental charges	0	48,995	297,194	599,952	609,525	1.6%
Misc OTPS	1,166	480	0	10,856	12,000	10.5%
Contractual Services	6,811,730	7,364,861	7,433,341	8,701,823	8,138,196	-6.5%
<b>Total</b>	<b>\$7,338,086</b>	<b>\$7,928,826</b>	<b>\$8,276,127</b>	<b>\$9,791,868</b>	<b>\$9,300,478</b>	<b>-5.0%</b>

From an historical perspective, since 2003, total funding for the Youth Board has increased by less than \$2.0 million to \$9.3 million, including an increase in salaries of \$15,567. The FY 07 budget proposes 1 additional full time employee, which has otherwise remained constant at 7 employees over the past 4 years. 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. In FY 06 the Youth Board allocated \$400,000 in non-recurring support as follows:

<b>Nassau County Youth Board Schedule of Non-recurring 2006 funds</b>	
<b>Provider</b>	<b>Non - Recurring</b>
Advisory Council for the Youth of Mineola	\$20,000
BiasHelp, Inc	7,000
Big Brothers /Big Sisters of Long Island	20,874
Circulo de la Hispanidad	25,000
City of Glen Cove-YB	10,000
Community Wellness Council-Bellmores/Merricks	4,000
COPAY, Inc	5,000
EAC-Mediation Alternative Project	10,000
EOC, Inc.	5,000
Five Towns Community Center	25,000
Freeport Pride, Inc.	23,632
Gateway Youth Outreach	20,000
Hicksville Teen-Age Council	10,000
Hispanic Brotherhood of Rockville Centre	7,000
Hispanic Counseling Center	5,000
I Support Roosevelt Committee	3,500
La Fuerza Unida	20,000
Littig House Community Center	17,000
Long Beach Martin Luther King Center	24,994
Long Beach REACH	6,000
Long Island Advocacy	25,000
Long Island Crisis Center- RHY	14,000
Manhasset/Great Neck E.O.C.	10,000
Nassau County Coalition Against Domestic Violence	17,000
North Shore Boys & Girls Club	12,500
North Shore Child & Family Guidance Association	5,000
Tempo Youth Services	10,000
Uniondale Community Council	10,000
YES Community Counseling Center	2,500
Yours, Ours, Mine Community Center	5,000
Youth & Family Counseling of OB/EN	20,000
<b>Total</b>	<b>\$400,000</b>

As shown in the chart that follows, the FY 07 Executive budget for the Youth Board is \$9.3 million, which is 5.2% less than both the FY 06 adopted and projected budgets. The decrease is due primarily to a decline in program agency contractual services of \$538,627, offset by a 4.1% increase in salaries expense. The salaries expenses is the direct effect of \$17,575 in FY 06 termination pay and additional monies to fund one new hire. Overall, it appears that the Youth Board’s expense budget will remain relatively stable when compared to the adopted FY 06 budget.

**EXPENSE BUDGET  
BY OBJECT CLASS**

Obj	Name	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
AA	Salaries	\$519,239	\$479,237	\$530,655	\$540,757	\$21,518	\$61,520
DD	General Expenses	11,800	10,856	12,000	12,000	200	1,144
DE	Contractual Services	8,676,823	8,701,823	8,469,023	8,138,196	(538,627)	(563,627)
	<b>Total OTPS</b>	<b>8,688,623</b>	<b>8,712,679</b>	<b>8,481,023</b>	<b>8,150,196</b>	<b>(538,427)</b>	<b>(562,483)</b>
HF	Inter-Depart Charges	599,952	599,952	0	609,525	9,573	9,573
	<b>Grand Total</b>	<b>\$9,807,814</b>	<b>\$9,791,868</b>	<b>\$9,011,678</b>	<b>\$9,300,478</b>	<b>(\$507,336)</b>	<b>(\$491,390)</b>

To keep pace with the approximate 45,000 young people residing in the County in need of services, expenditures for contractual services have increased over the past years by approximately 20% to \$8.1 million as per the Youth Board’s FY 07’s proposed budget. FY 07 is in line with trend data in all other expense categories except for FY 03 miscellaneous OTPS and Inter-departmental charges, which was the last year the Administration classified Inter-departmental charges and OTPS in the same object code.

Contractual services, which makes up funding for program agencies, represents 94% of the total FY 07 proposed budget. Of the \$8.1 million in contractual services, \$400,000 represents recurring contractual service funds extended from 2006. These funds were the Youth Board’s portion of \$4.5 million allocated to various HHS departments to fund community based service organizations. New to this year’s contractual services is funding for the Summer Lunch program, Bias Help/HEVN, and the LI Hispanic Pastoral Association’s Gang Prevention Workshops. Starting in July 2006, the department received a 100% funded NYS Department of Health grant, “Act for Youth” renewable for 5 years.

**Nassau County Youth Board  
Staffing Analysis**

	<u>FY 06 Adopted</u>	<u>Sept-06 Actual</u>	<u>FY 07 Request</u>	<u>FY 07 Executive</u>	<u>Exec. vs 06 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	7	6	8	8	1	2

The Youth Board’s staffing level has been budgeted to increase by one Auditing Assistant and one seasonal Program Coordinator after remaining flat for the five consecutive years, to cover the Summer Lunch Program needs. The actual FY 06 headcount compared to the proposed FY 07 budget shows a variance of 2 full time employees. The salary line is sufficient to cover the costs of the 8 budgeted full-time employees.

Historical Revenue						
	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Projected	FY 07 Exec.	% Change Proj./Exec.
State Aid	\$1,662,768	\$1,599,555	\$1,761,111	\$1,553,753	\$1,553,753	0.0%
Rents & Recoveries	336,170	115,313	172,437	2,447	0	-100.0%
Interfund Charges/Revenues	0	50,000	0	(378)	0	-100.0%
Interdepartment Revenues	60,000	(8,399)	18,835	0	0	0.0%
	\$2,058,938	\$1,756,469	\$1,952,383	\$1,555,822	\$1,553,753	-0.1%

Revenues sources for the Youth Board are grant and state based funding. In 2007, the Youth Board’s Funding from the state will increase by \$30,000 to \$1.6 million. Funding from the State is based on per youth population allowance or a per capita rate for youths between the ages of 0-20.

REVENUE BUDGET						
Revenue Class	Adopted FY 06 Budget	OLBR FY 06 Projection	FY 07 Dept. Request	FY 07 Exec. Budget	Variance Exec. vs Adopted 06	Variance Exec. vs FY 06 Proj.
SA State Aid - Reimbursable	\$1,523,333	\$1,553,753	\$1,553,753	\$1,553,753	\$30,420	\$0

**Out Year Initiatives:**

NAME	FY 2008	FY 2009	FY 2010
Program Reduction *	\$50,000	\$50,000	\$50,000
* (Youth Board component only)			

The **program reductions** initiative, beginning in FY 08, will be made up of cuts in contractual costs for non-mandated programs in Health and Human Services departments. No specific programs have been targeted for the \$50,000 program reduction. The bulk of the savings, \$890,000 annually in years FY 08 through FY 10, would come from DSS.

The following chart represents the allocation of the Youth Board’s contractual services funding by agency. The amount of these contracts matches the amount of the department’s contractual services request. However, the Executive FY 07 budget reduced the departmental request by \$300,000. Subsequent to the submission of the budget, the Administration has requested that Youth Board be increased by this amount.

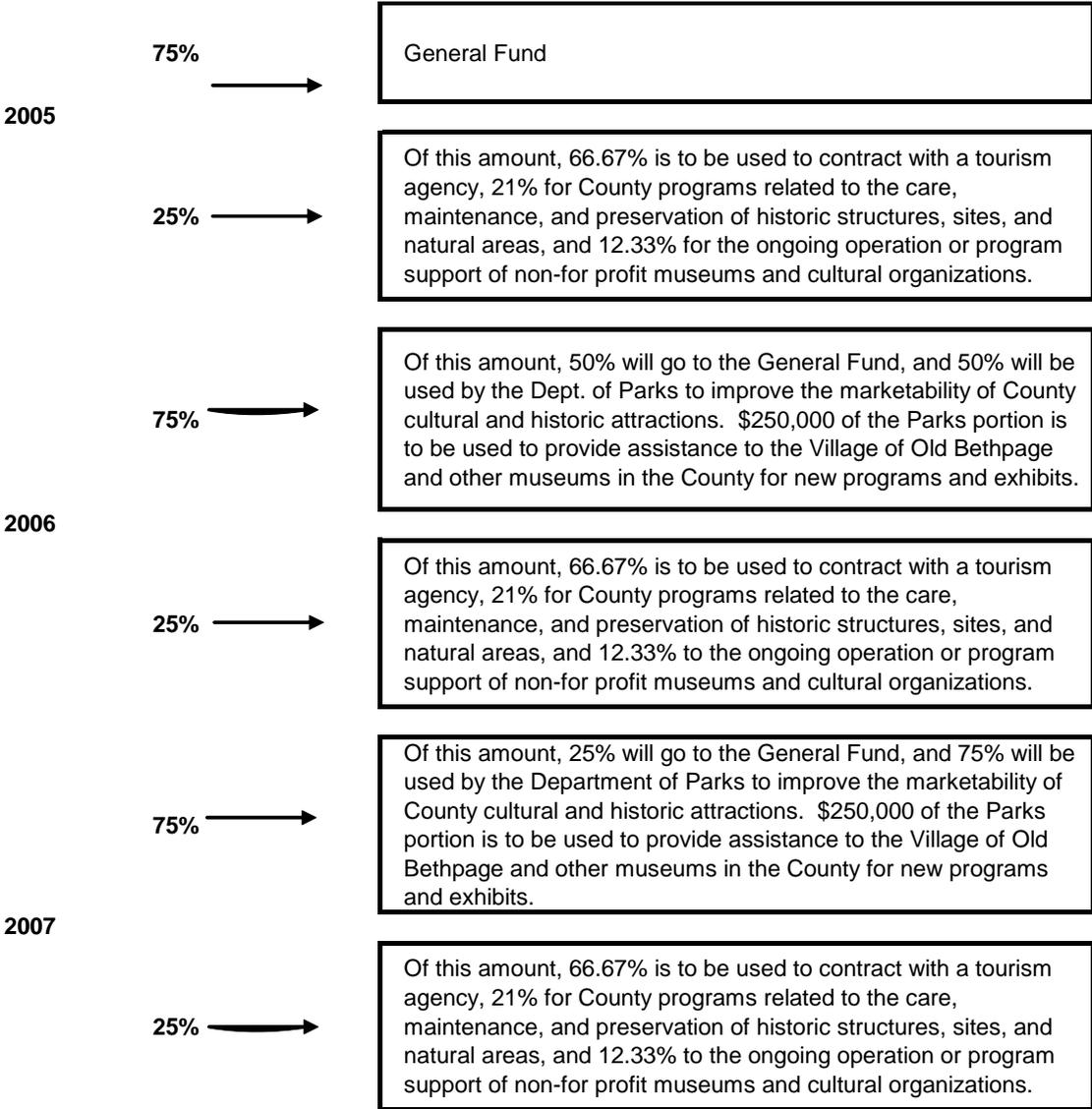
<b>NASSAU COUNTY YOUTH BOARD</b>	
<b>CONTRACTS</b>	
<b>AGENCY</b>	<b>Projected 2007 Funding</b>
Advisory Council for the Youth of Mineola	\$199,500
Advisory Council for the Youth of Mineola-Helping Youth Reach Their Potential	75,000
Bias Help	60,000
Big Brothers /Big Sisters of Long Island	46,000
Circulo 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	161,467
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	226,206
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/Education Workshops	24,000
Long Island Hispanic Pastoral Association, Inc.	24,000
Manhasset/Great Neck E.O.C.	101,429
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.	154,000

<b>NASSAU COUNTY YOUTH BOARD</b>	
<b><u>CONTRACTS</u></b>	
<b>AGENCY</b>	<b>Projected 2007 Funding</b>
Project Challenge of Long Island, New York	45,000
STRONG, Inc.	125,000
Tempo Youth Services	15,000
Tempo Youth Services / Success at Mephram	20,000
Time Out Club of Hempstead, Inc.	182,000
Uniondale Community Council	168,744
Uniondale Community Council-A Strong Uniondale Community Network	100,000
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
Continued New Programs	300,000
SUMMER FOOD SERVICE PROGRAM	150,000
<b>TOTAL</b>	<b>\$8,438,196</b>

The following schedule details the Grant Funding for 2007, including funding for the NYS Office of Children and Family Services for \$563,499 and NYS Department of Health in the amount of \$100,000.

<b>Nassau County Youth Board: Grant Schedule 2007</b>		
<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>	01/01/2007 - 12/31/2007
New York State Department of Health Assets Coming Together for Youth Initiative	<b>100,000</b>	07/01/2007 - 06/30/2008
<b>TOTAL</b>	<b>\$663,499</b>	

**Allocation of the Hotel\Motel Tax**



	2005	2006	2007
Where Booked	Actual	Projected	Proposed
Treasurer/General Fund	3,272,663	1,462,500	656,250
Parks/Parks Fund	1,091,680	2,437,500	
Parks/General Fund			875,000
Parks/Grant Fund			1,968,750
Total	4,364,343	3,900,000	3,500,000