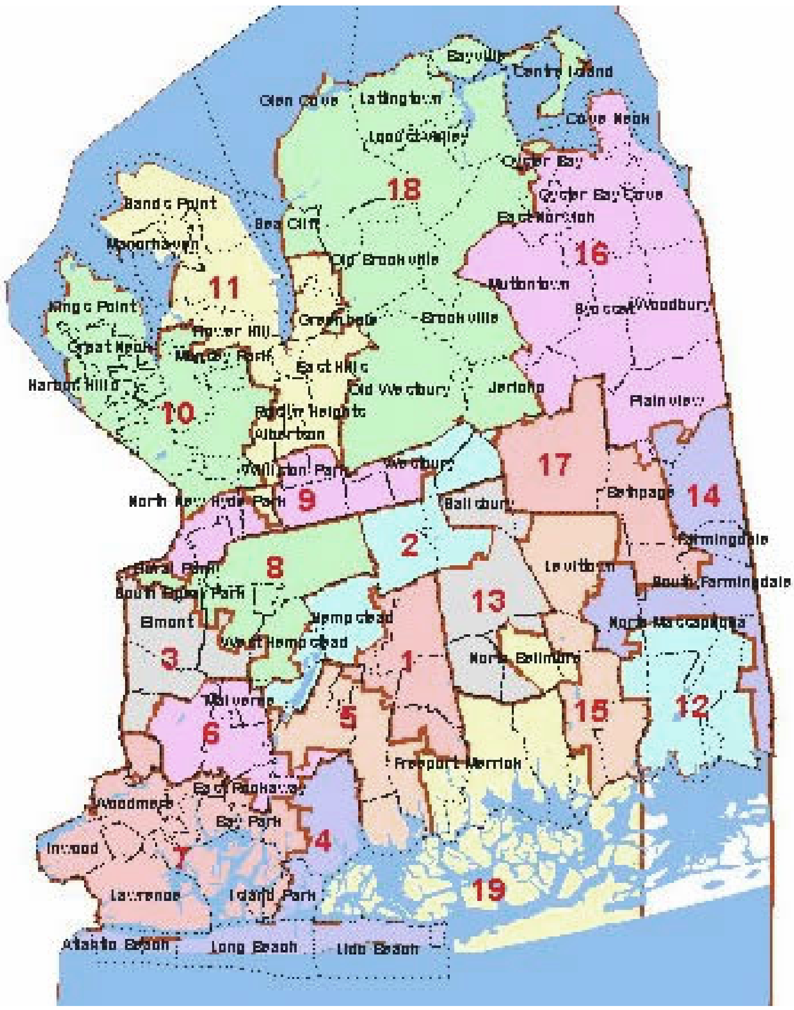
NASSAU COUNTY LEGISLATURE

Office of Legislative Budget Review



Review of the Fiscal Year 2005 Budget & Multi-Year Plan

Departmental Analysis

Eric C. Naughton, Director

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BUDGET REVIEW

NASSAU COUNTY LEGISLATURE
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Inter-Department Memo

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

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

Date: October 18, 2004

Re: Multi-Year Plan & Departmental Analysis of the FY 05 Budget

The Office of Legislative Budget Review (OLBR) has prepared two documents relating to the proposed FY 05 budget and Multi-Year Plan: an Executive Summary and a Departmental Analysis. The enclosed document contains an analysis of the FY 04 Executive Budget and Multi-Year Plan at the departmental level. In order to better evaluate the proposed budget, our analysis includes OMB's FY 04 projections that were prepared in July for their second quarter budget report. In addition, in looking at staffing needs we compare the proposed FY 05 budget to actual staffing levels as of September 1, 2004, as well as to the FY 04 budget.

In FY 04 the Administration created a budget and accounting charge for inter-departmental charges (HF) and debt service (HD). These charges have been developed to more accurately identify and allocate the costs incurred by service departments, such as Information Technology and Real Estate on behalf of other County agencies. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The value of these charges is approximately $415 million. For comparison purposes, these charges are separated out of the OTPS budget.

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

Nassau County
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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. See Executive Summary for a description of the Department of Assessment's role in of the Assessment and Assessment Review Reform program.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	8,390,429	7,939,002	11,247,470	8,203,733	(186,696)	264,731
BB	Equipment	328,000	300,000	330,000	330,000	2,000	30,000
CC	Materials & Supplies	82,000	82,000	83,000	83,000	1,000	1,000
DD	General Expenses	764,650	725,000	770,000	770,000	5,350	45,000
DE	Contractual Services	5,936,475	1,386,475	6,473,870	5,973,870	37,395	4,587,395
	Total OTPS	**7,111,125**	**2,493,475**	**7,656,870**	**7,156,870**	**45,745**	**4,663,395**
HF	Inter-Depart Charges	1,149,450	1,149,450	0	1,930,739	781,289	781,289
	Grand Total	**16,651,004**	**11,581,927**	**18,904,340**	**17,291,342**	**640,338**	**5,709,415**

The budget proposed for the Department of Assessment, less inter-departmental charges, is $15.4 million, a slight decrease from the current year. The OTPS allocation is remaining flat, but there is a variance of $4.7 million from the projected FY 04 expenditures. Most of this amount is on the contractual services line, and results from the $4.5 million Cole Layer Trumble (CLT) contract having been pre-paid in FY 03, leaving a surplus in the current year. This contract, with a term of six years, in effect since 2003, provides for real property appraisal services related to the annual update of the assessment roll. Other services provided by contract include data processing maintenance and code modification, a cadastral mapping consultant, and a temp agency. The remainder of the OTPS codes are basically remaining flat. Planned purchases include computers, office equipment, and office supplies for the new employees coming on board.

The line for inter-departmental charges is increasing by 68%. These charges are assessed by other agencies to identify and allocate the costs incurred on behalf of the Assessment Department. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest of these charges include $850,628 for Assessment's share of the information technology and telecommunications resources of the County (an increase of $279,824), $368,160 for building occupancy, $325,044 for the services of the County Attorney's office (a new charge for FY 05), and $164,000 for record management (increasing by $125,306).

The salaries budget is decreasing by almost $200,000. Budgeted heads, as seen in the chart below, will be reduced by 16 full-time and 6 part-time positions. The CSEA contract will provide a salary adjustment as of January 1, 2005 of 3.5%, in addition to a step increase.

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	194	153	290	178	(16)	25
Part-time and Seasonal	10	4	30	4	(6)	0

The September actual headcount reveals a number of vacant full-time positions. There are 20 new hires in the pipeline that are not included in that number. The department has been aggressively seeking to fill these positions in order to develop a staff capable of taking over the annual update from Cole Layer Trumble. If the County terminates the CLT contract for convenience prior to December 31, 2005, CLT would receive a buyout of $400,000, and if prior to December 31, 2006, $350,000. Even while the contract is in place the department will perform work related to the update, such as field review, clerical support, data entry, and the producing and mailing of disclosure notices. A budget line labeled "Empty" has been added, and allocated $600,477. This represents funding for 33 employees who will be responsible for handling the Small Claims Assessment Review (SCAR) proceedings. These cases were transferred to the Assessment Review Commission in 2003, over the objection of the previous Chairman of the County Board of Assessors. The 33 "Empty" positions have not been fully funded, as it is assumed that hiring will take place throughout the year. New Civil Service titles are in the process of being created for many of these positions, which will include residential appraisers, mass appraisal systems specialists, data entry clerks, and a GIS specialist. Without attrition, the hiring of 33 employees will bring Assessment's full-time headcount to approximately 200, 22 over budget. It should be noted that the department's requested budget included 112 additional full-time positions and 26 part-timers, and additional salary funding of $3 million.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BH Department Revenues	337,059	337,059	245,000	245,000	(92,059)	(92,059)
SA State Aid - Reimb. Exp.	711,659	711,659	664,000	664,000	(47,659)	(47,659)
Total	**1,048,718**	**1,048,718**	**909,000**	**909,000**	**(139,718)**	**(139,718)**

The largest revenue source for the Department of Assessment is state aid. The County will receive $5 per parcel for its updating of the roll. Although Nassau has some 416,000 parcels, the state caps its aid at $500,000. The department also receives state aid for costs associated with the implementation of the School Tax Relief program (STAR), which provides a partial exemption from school property taxes for owner-occupied, primary residences. The State has indicated that the rates upon which this aid is calculated will be reduced by one third in FY 05. Consequently, the proposed budget for this revenue source is based on two thirds of this year's projected actual.

The department collects fees for such services as the sale of tax maps, property record cards, and various reports. These show up as departmental revenues. Revenue estimates have been lowered for the amount to be collected from the sale of cadastral maps.

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Subsequent to the release of the 2005 Executive budget, the Department of Assessment has been negotiating with CLT to amend the annual update appraisal services contract. It is anticipated that FY 05 expenses related to this contract can be reduced and any savings can then be utilized to hire additional in-house staff to take over the valuation work from CLT.

In addition, the 33 positions related to Assessment's handling of the SCAR proceedings could be more fully funded.

The Legislature will be asked to amend Assessment's budget in the adoption process by transferring the contractual services savings to salaries. This would not alter the total amount proposed for the department in the Executive budget.

ASSESSMENT REVIEW COMMISSION

The mission of the Assessment Review Commission (ARC) is to review property assessments upon application by taxpayers and provide timely, appropriate relief from excessive valuations. The Commission is a quasi-judicial arm of the County government consisting of a chairperson and eight Commissioners. See the Executive Summary for a description of ARC's role in the Assessment and Assessment Review Reform program.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	2,366,904	2,233,153	2,866,912	2,734,993	368,089	501,840
BB	Equipment	75,000	50,000	50,000	50,000	(25,000)	0
CC	Materials & Supplies	10,000	5,000	5,000	5,000	(5,000)	0
DD	General Expenses	110,000	110,000	111,375	111,375	1,375	1,375
DE	Contractual Services	1,511,875	1,511,875	1,213,000	1,133,000	(378,875)	(378,875)
	Total OTPS	**1,706,875**	**1,676,875**	**1,379,375**	**1,299,375**	**(407,500)**	**(377,500)**
HF	Inter-Depart Charges	366,785	366,785	0	876,067	509,282	509,282
	Grand Total	**4,440,564**	**4,276,813**	**4,246,287**	**4,910,435**	**469,871**	**633,622**

The proposed FY 05 budget for the Assessment Review Commission, less inter-departmental charges, is $4.0 million. This represents a slight decrease from the current year's allocation. In keeping with the Assessment and Assessment Review Reform program, ARC will be gaining staff and the related salary funding, which is reflected in the budgeted salaries increase of $368,089, which is $501,840 more than the FY 04 projected payroll. That amount includes $115,000 for overtime, which is increasing to $300,000. ARC is authorized to use overtime as part of the County's plan to accelerate the processing of property tax challenges prior to FY 06 when the refunds will be paid with operating funds. Offsetting the increased salaries expense is an OTPS decrease of $407,500, mostly on the line for contractual services. The vast majority of ARC's contractual budget is for the procurement of specialized appraisal services. There is also a small amount of funding to hire temps for clerical functions.

ARC took over the handling of the Small Claims Assessment Review (SCAR) proceedings in 2003. These will be returning to the Department of Assessment, for filings related to the FY 05-06 tax roll. ARC will continue processing cases related to the FY 04-05 roll, using unexpended contractual funds from the current year. ARC had received funding of $4.6 million in its FY 03 budget for outside appraisers and valuation data services related to these proceedings. Contractual services for the use of the outside appraisers was reduced by approximately $3 million in FY 04 in anticipation of ARC settling many of the cases administratively and having the work done by in-house staff.

The line for inter-departmental charges is increasing by $509,282, or 139%. These are the charges assessed by other agencies to identify and allocate the costs incurred on behalf of the Assessment Review Commission. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Most of the increase results from an additional $293,356 for information technology, bringing the total to $435,405, and the inclusion of a charge of $146,961 for legal services performed by the County Attorney's office. The largest of the remaining charges include $119,762 for building occupancy, $76,199 for GIS charges, and $50,081 for telecommunication charges. ARC utilizes GIS as a valuation tool.

The aggregate amount budgeted for equipment, materials and supplies, and general expenses is almost $29,000 less than the 2004 total. The information technology needs of the new employees will be provided by the IT Department.

As can be seen in the chart below, budgeted staffing, compared to the September actuals, will increase by ten full-time and six part-time positions. The CSEA contract will provide a salary adjustment as of January 1, 2005 of 3.5%.

Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	32	27	37	37	5	10
Part-time and Seasonal	5	8	14	14	9	6

Among the full-time positions being added, including vacancies as of September 1, are three Commercial-Industrial Appraiser-Assessor II, two Real Property Appraiser-Assessor Aide I, and two Real Property Appraiser-Assessor III. Eight part-time Clerk Typist I positions, currently filled but not in the FY 04 budget, will be added in FY 05.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BH	Departmental Revenues	18,000	4,500	9,000	9,000	(9,000)	4,500
NA	NIFA Aid	1,800,000	0	4,300,000	4,300,000	2,500,000	4,300,000
	Total	**1,818,000**	**4,500**	**4,309,000**	**4,309,000**	**2,491,000**	**4,304,500**

ARC has proposed budgeted revenue in the amount of $4.3 million from NIFA. This New York State funding must be used to offset costs associated with the County's efforts to streamline the assessment review process and reduce the County's reliance on issuing debt to pay for property tax refunds. The State authorized $5 million for this purpose, and NIFA has informed us that there is a balance of $4.8 million remaining.

In addition, the 2005 revenue budget includes $9,000 for departmental revenues. These are made up of appraisal fees collected from the Industrial Development Agency (IDA). The IDA is a not-for-profit corporation dedicated to the economic development of Nassau County. It can offer partial property tax relief to developers, and ARC helps to estimate what the assessment would be. The revenue received is dependent upon the number of projects that are under development by the IDA.

Out-Year Initiatives

ID#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
BFAR01	Tax Certiorari Settlement Reform	$0	$500,000	$500,000	$500,000
BFBU04	Absentee Landlord Surcharge	$0	$0	$5,733,693	$5,733,693
BFBU05	Commercial Tax Grievance Filing Fee	$0	$0	$3,375,000	$3,375,000

The initiative on **tax certiorari settlement reform** seeks to reduce the time that it takes for a claim to be paid after settlement by ARC. Interest on the taxes to be refunded accrues at a rate of 4.0%. The goal is to decrease the post-settlement period by 14 weeks. Formerly, when ARC settled a claim the paperwork had to go to the Court and the County Clerk before the Treasurer received it and made payment. With this initiative, made possible by a change in state law, and negotiation with the tax certiorari bar, ARC plans to transmit its determinations directly to the Treasurer, with all of the required backup. The County's IT Department will be utilized to automate the process. Based on an estimated principal to be paid in FY 06 of $45,500,000, savings of approximately $500,000 would be achieved.

The **absentee landlord surcharge** initiative seeks to impose a surcharge on residential properties that are not owner-occupied. The Administration estimates that there are currently 17,210 such parcels with a taxable assessed value of $68 million. The tax on these properties is now $24.7 million. A 25% surcharge on this amount, less a 7% reserve for refunds and uncollectible taxes, would yield $5.7 million. It is not clear whether this initiative represents good public policy, or what its impact on the housing market will be. As stated in the Proposed Multi-Year Financial Plan, "The Administration intends to pursue passage of this legislation in the 2006 legislative session."

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

State legislative approval is necessary for the implementation of both the a**bsentee landlord surcharge** and the **commercial tax grievance fee** initiatives. Dependent as both initiatives are on actions to be taken outside of Nassau County's control, it is questionable how likely they are to be implemented by FY 06.

CIVIL SERVICE

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

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	4,016,483	4,047,622	4,593,104	4,593,104	576,621	545,482
BB	Equipment	21,000	11,000	21,263	21,263	263	10,263
DD	General Expenses	226,050	226,050	224,826	284,826	58,776	58,776
DE	Contractual Services	272,750	187,150	7,500	7,500	(265,250)	(179,650)
	Total OTPS	**519,800**	**424,200**	**253,589**	**313,589**	**(206,211)**	**(110,611)**
HF	Inter-Dept. Charges	2,063,128	2,063,128	0	2,585,848	522,720	522,720
	Grand Total	**6,599,411**	**6,534,950**	**4,846,693**	**7,492,541**	**893,130**	**957,591**

Salary costs are increasing from the FY 04 budget by $576,621 or 14.4%. The increase over the FY 04 budget is due to the utilization of part-time physicians and psychologists instead of contract physicians. This is increasing salaries by $255,600 and 16 part-time positions and decreasing contractual services by $250,000. This change is expected to give the department greater control over these services. There are currently ten part-time physicians, four part-time psychologists and one part-time audiologist who are expected to reduce the usage of contractual services in FY 04. About $100,000 is anticipated to be transferred to salaries for this from contractual services. An additional two positions are being added to perform the mandated function of fingerprinting all seasonal employees who have contact with minors. The Commission began doing this in August 2004 and will not receive revenue for it as seasonal employees are not charged for fingerprinting. Salaries are also growing for CSEA employees who will be receiving COLA increases of 3.5% in January 2005 and step increases.

The OTPS budget is decreasing by $206,211 or 39.7% from the FY 04 budget and by $110,611 or 26.1% from the 2004 projected actual. This is primarily due to the decrease in contractual services as previously discussed. General expenses are increasing from the FY 04 budget and projected actual by $58,776. Most of the expenses in this cost center are related to supplies and payments made to the State for usage of the exams. The increase is due to an additional $60,000 to cover investigative charges associated with the finger printing.

The department believes their current headcount is insufficient and is resulting in a slowdown in the application process. There has also been a reduction in the number of on-site job audits, which help the department assess whether or not employees are working in their job titles and help other departments create new job titles. It is anticipated that efficiency will increase with the planned information technology improvements that will lead the department to a paperless process and reduced data entry. The schools and local municipalities are currently on this system and it is expected that the County will be utilizing the system by the end of 2004.

Inter-departmental charges identify and allocate the costs incurred by other departments on behalf of Civil Service. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Inter-departmental charges are budgeted at $2.6 million in 2005, an increase of $522,720 over the FY 04 budget and projected actual. Telecommunications charges ($54,270) have been separated out in 2005 from the IT charges in anticipation of moving them to direct charges in 2006. In 2005 IT and telecommunications are increasing by $437,978. Building occupancy charges have increased by $141,571 for increases in utilities.

Civil Service
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	58	62	61	61	3	(1)
Part-time and Seasonal	19	28	32	32	13	4

The FY 05 budgeted full-time headcount is increasing over the FY 04 budget to bring the budget more in line with the September actual and to add two employees to perform mandated fingerprinting. Part-time positions are increasing to account for 16 additional physicians and psychologists replacing the contractual services. Many of them are already reflected in the September actual and the department anticipates hiring up to budget in 2005.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BH Department Revenues	155,800	223,579	200,800	200,800	45,000	(22,779)

The FY 05 budget for department revenues has been increased by $45,000 or 28.9% from the FY 04 budget, but reduced from FY 04 projected actual by $22,779 or 10.2%. This account is made up almost entirely of fees collected for the administration of various civil service exams. The amount collected is dependant on the type of tests given and the department is expecting to have a similar test schedule in 2005 as it had in 2004.

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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	2,320,228	2,495,268	2,746,267	2,721,056	400,828	225,788
BB	Equipment	425,000	424,500	425,313	25,313	(399,687)	(399,187)
CC	Materials & Supplies	129,600	89,600	131,220	131,220	1,620	41,620
DD	General Expenses	1,950,234	1,700,734	1,943,568	1,943,568	(6,666)	242,834
DE	Contractual Services	154,602	154,602	158,467	158,467	3,865	3,865
	Total OTPS	**2,659,436**	**2,369,436**	**2,658,568**	**2,258,568**	**(400,868)**	**(110,868)**
HF	Inter-Depart Charges	936,428	936,428	0	1,160,969	224,541	224,541
	Grand Total	**5,916,092**	**5,801,132**	**5,404,835**	**6,140,593**	**224,501**	**339,461**

The proposed FY 05 budget, less the inter-departmental charges, is remaining flat, with a $400,828 increase in salaries offset by an equal decrease on the equipment line. The CSEA contract will provide a salary adjustment of 3.5% as of January 1, 2005.

The $400,000 decrease in equipment expense results from the replacement, by the end of 2004, of all the County's leased copiers with purchased copiers. This project began in 2002, so the oldest of the "new" copiers will probably have to start being replaced in 2006. The contractual services line is increasing slightly to $158,467. The office contracts for such services as mailhouse and specialized printing and graphics.

Postage and other expenses make up the bulk of the general expense category. The allocation for postage is unchanged from the 2004 amount of $1.3 million, and other expenses is decreasing slightly to $633,568. Charges to the other expenses line include printing and copier supplies such as paper and ink. These supplies, as well as the postage, are utilized Countywide.

Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office of Constituent Affairs. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest of these charges include $596,000 for building occupancy, $314,000 for indirect charges, and $163,000 for the office's share of the information technology resources of the County.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance Exec. vs. FY 04	Variance Exec. vs. Request
10	Constituent Affairs	630,981	808,500	888,853	257,872	80,353
30	Printing and Graphics	5,285,111	4,596,335	5,251,740	(33,371)	655,405
	Total	**5,916,092**	**5,404,835**	**6,140,593**	**224,501**	**735,758**

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 offices. All of the OTPS funding, as well as the salaries for the print shop employees, are included in the Printing and Graphics control center.

Office of Constituent Affairs Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC Full-time Staffing						
10 Constituent Affairs	16	17	17	19	3	2
30 Printing and Graphics	38	38	43	39	1	1
Total Full-time	**54**	**55**	**60**	**58**	**4**	**3**
CC Part-time and Seasonal						
10 Administration	0	10	0	0	0	(10)

The proposed budget provides for four additional full-time positions. Two Communication Operator I's will be transferred from IT to work on the County switchboard. A Deputy Director position has been added for an employee who was promoted to that title this year. Ten part-time positions currently on board are not funded in FY 05.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BJ Interdepartmental Revenues	4,522,891	4,522,891	0	5,021,103	498,212	498,212

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.

OFFICE OF CONSUMER AFFAIRS

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

The FY 05 Consumer Affairs budget shows increases in both revenues and expenses. Revenues are budgeted to increase since 2005 is a renewal year for home improvement licenses and since the Taxi/Limousine Initiative is being implemented. Expenses are rising to fund additional positions necessary for the implementation of the Taxi/Limousine initiative and the service of Spanish speaking consumers and contractors.

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 05 budget and baseline:

Taxi and Limousine Registration (PSCA04) - $500,000

The revenue projection for this initiative was typed incorrectly in the summary book. The Office is anticipating $500,000 from this initiative. This initiative would require that all taxis and limousines not currently registered with a Nassau County town register annually with the County Office of Consumer Affairs. Additionally, it would require that taxis already registered with a town in Nassau County pay for a County sticker. According to the New York State Department of Motor Vehicles, in 2003 there were 3,632 taxi registrations in force in Nassau County. The Office estimates that there are 400 black cars which are not currently registered with a County town. These cars would pay the County an annual fee of $750 per vehicle. The remaining 3,232 Nassau County taxis would purchase a County sticker at a cost of $5 per year. Taxis and limousines whose businesses are based out of another county but wish to drop off passengers in Nassau could pay $5 to obtain a tier II sticker. Lastly, the Office would collect additional revenues from violator fines. The Office has the right to fine violators up to $5,000 per violation depending on the fine history of the violator. All totaled the Office could receive $316,160 if all Nassau based cars register and purchase the decal. Thus, the revenue projection falls short by $183,840. Part of this may be offset from fines and tier II stickers, but it is doubtful that it all would. Moreover, the Office had planned to hire three investigators who could be cross-trained to work on this initiative as well as others. Civil service issues have arisen regarding the ability of the Office to assign investigators to work on multiple initiatives. If the investigators duties are limited, the revenue projection from this initiative is optimistic.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BC	Permits & Licenses	1,900,000	2,248,000	2,922,096	2,922,096	1,022,096	674,096
BD	Fines and Forfeitures	750,000	687,000	750,000	1,027,347	277,347	340,347
BH	Department Revenues	100	100	100	100	0	0
SA	State Aid - Reimbursable	45,000	45,000	45,000	45,000	0	0
TX	Special Taxes	50,000	0	0	0	(50,000)	0
	Grand Total	**2,745,100**	**2,980,100**	**3,717,196**	**3,994,543**	**1,249,443**	**1,014,443**

The overall FY 05 Consumer Affair's revenue budget is increasing 45.5% from the FY 04 revenue budget. The increase is due to the fact that 2005 is a renewal year for home improvement licenses and the implementation of several new initiatives. The decrease in the special taxes line is due to the fact that the County is no longer collecting a tax on coin operated amusement devices. The Legislature passed Local Law 19 of 2003 which repealed the tax imposed on coin operated amusement devices. The chart below provides greater detail of the various revenue lines shown above.

	2002 actual	2003 actual	2004 OLBR estimate	2005 budget
Home Improvement Licenses	643,740	2,122,096	1,484,453	2,122,096
Weights & Measures	291,424	602,850	829,800	800,000
Fines	553,110	397,210	422,542	1,027,347
Total	**1,488,274**	**3,122,156**	**2,736,794**	**3,949,443**

The previously shown permits and licenses line is the sum of the home improvement licenses and weights and measures estimates. The FY 05 home improvement licenses budget is the same as the actual collections obtained in 2003, the last time that all licenses had to be renewed. This estimate may be low since both the taxi/limousine initiative and the unlicensed home improvement seizure law are projected to increase the number of licenses issued by the Office. The fines line shown above is the same as the previously detailed fines and forfeitures line. This revenue class is recording the greatest budgeted increase. The line is increasing 143% from OLBR's 2004 estimate. The Office is expecting to obtain fine revenue from the taxi/limousine initiative, item-pricing initiative, seizure of unlicensed home improvement vehicles, and the smoking ban. The 143% fine increase may be optimistic given that Office statistics show year-to-date 2004 investigation division violations are up 44% from year-to-date 2003. Moreover, the Office may not be able to use their staff where necessary to fully implement all of their investigative initiatives, the revenue projection for this initiative may be optimistic.

EXPENSE BUDGET
BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	1,858,766	1,983,409	2,317,929	2,277,509	418,743	294,100
BB	Equipment	2,000	52,654	10,000	10,000	8,000	(42,654)
CC	Materials & Supplies	3,710	3,710	5,000	5,000	1,290	1,290
DD	General Expenses	4,585	4,585	8,700	7,200	2,615	2,615
DE	Contractual Services	215	215	215	215	0	0
	Total OTPS	**10,510**	**61,164**	**23,915**	**22,415**	**11,905**	**(38,749)**
HF	Inter-Departmental Charges	370,600	370,600	0	612,028	241,428	241,428
	Grand Total	**2,239,876**	**2,415,173**	**2,341,844**	**2,911,952**	**672,076**	**496,779**

The total Consumer Affair's expense budget is increasing by 30% from the FY 04 budget. All expense lines are increasing. The salary line is recording the greatest dollar value increase. As mentioned above, the Office is being given funding to hire five full-time workers and three part-time workers. The headcount additions are necessary to implement the taxi/limousine initiative and to service bilingual consumers and contractors. 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 Consumer Affairs. A corresponding revenue gets booked to the department providing the service as an inter-departmental charge (BJ). Interdepartmental charges to the Office of Consumer Affairs are increasing due to greater fleet maintenance and building occupancy charges. Fleet maintenance charges in FY 04 were underestimated for the Office's 17 cars.

Office of Consumer Affairs
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	33	34	38	38	5	4
Part-time and Seasonal	6	9	9	9	3	0

Budgeted full-time and part-time/seasonal staffing in the Consumer Affairs Office is increasing. The Office has been operating above their FY 04 headcount, hence they will only have to hire-up for four full-time positions. OLBR estimates that the FY 04 Consumer Affairs payroll will be $1,923,113. Subtracting that figure from their FY 05 budgeted salary line leaves $354,396 to fund the four new hires. An analysis of the vacant positions reveals that the department will be hiring three Consumer Affairs Investigators I and one Weight & Measures Inspector I. The current salary line seems sufficient to fund the four positions. The analysis also shows that there would be $171,523 left over to fund additional personnel if required.

COORDINATING AGENCY FOR SPANISH AMERICANS (CASA)

The department provides information and referrals to the Hispanic community. Created in 1971, the agency has been under the auspices of the County Executive Office since 1977. 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 a combined total of over 5,000 clients each year.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	316,359	341,520	355,499	355,499	39,140	13,979
BB	Equipment	5,000	2,500	5,000	5,000	0	2,500
CC	Materials & Supplies	5,500	2,750	1,000	1,000	(4,500)	(1,750)
DD	General Expenses	7,000	3,500	11,500	11,500	4,500	8,000
DE	Contractual Services	15,000	15,000	15,000	15,000	0	0
	Total OTPS	**32,500**	**23,750**	**32,500**	**32,500**	**0**	**8,750**
HF	Inter-Depart Charges	197,126	197,126	0	319,004	121,878	121,878
	Grand Total	**545,985**	**562,396**	**387,999**	**707,003**	**161,018**	**144,607**

Although in the chart above it appears the FY 05 budget for salaries will increase by $39,140, the actual increase will be $70,930 or 25% above current years funding. The FY 04 budget included $31,790 in termination pay which was the 3rd and final payment. These funds should be subtracted from the current budget to see the true increase in the proposed budget.

Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of CASA. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest components of the inter-departmental charges are for building occupancy charges of $182,571, GIS charges at a cost of $76,199, and another $5,758 for telecommunications.

The aggregate OTPS expense will remain at the same funding level as the current year. These accounts are used to pay for general office expenses, membership fees, maintenance of equipment, auto mileage, travel expenses and to facilitate miscellaneous contracts.

Coordinating Agency for Spanish Americans (CASA) Staffing Analysis						
	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	6	6	6	6	0	0
Part-time and Seasonal	1	1	1	1	0	0

The full-time staffing level will remain flat with FY 04. The full-time staffing has remained unchanged for the past several operating budgets.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BH	Department Revenues	83,000	50,000	30,000	30,000	(53,000)	(20,000)

The revenue budget is comprised of two parts: 1) charges of $3,000 received from an adult literacy education grant, a program funded by the New York education department, and 2) fees estimated to generate $27,000 for services the department provides. These charges include document translation, citizen application and petitions for relatives. For the 2003 fiscal year the department collected $11,210. Through September of 2004 the department has increased collections to $14,000. Although collections are growing, the OMB FY 04 projection of $50,000 appears unrealistic, as does the FY 05 budget of $30,000.

The chart below illustrates the services available from the department and the correlating fee.

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

NASSAU COUNTY CORRECTIONAL CENTER

The Correctional Center and the Sheriff's Department have been combined for the FY 05 budget for easier management. In OMB's supporting documents the FY 04 budget and projections are separate but for display purposes they are combined in this report. The inmate population has been decreasing slightly in the last couple of years with a 2.9% decrease projected for 2004 and a 0.9% increase anticipated for 2005. Federal inmates are estimated at 235 for 2005, a 4.1% decrease from the 2004 estimated. The State ready inmates and parole violators are projected to be close to the current year.

ACTIVITY INDICATORS

INDICATOR	ACTUAL 2002	ACTUAL 2003	ESTIMATED 2004	PROJECTED 2005
Average Daily Inmate Population	1,731	1,685	1,636	1,650
Total Admissions	10,971	10,860	10,800	10,800
Revenue Generating Indicators				
Federal Inmates	227	210	245	235
State Ready Inmates	14	11	9	7
Parole Violators	51	51	43	50

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 05 budget and baseline:

Fee Initiative (BFBU01) - $37,000

This is part of the County-wide initiative to increase fees by $3.8 million. This department will be increasing fees a total of $37,000. The Sheriff has the authority to charge inmates, with the ability to pay, for non-reimbursable expenses. The rate is going up $20 per day, from $40 to $60 per day and the cap is increasing from $2,500 to $3,000.

REVENUE BUDGET								
Revenue Class		**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. Vs FY 04 Proj.**
BD	Fines & Forfeitures	40,000	40,000	50,000	50,000	10,000	10,000
BH	Department Revenue	1,200,000	1,171,310	1,185,000	1,222,000	22,000	50,690
BJ	Inter-Dept. Revenue	0	270,000	0	387,360	387,360	117,360
FA	Federal Aid	14,205,640	18,600,000	17,026,986	17,026,986	2,821,346	(1,573,014)
SA	State Aid	1,050,000	1,040,000	942,000	942,000	(108,000)	(98,000)
	Grand Total	**16,495,640**	**21,121,310**	**19,203,986**	**19,628,346**	**3,132,706**	**(1,492,964)**

The proposed FY 05 revenue budget for the Correctional Center is $19.6 million, up $3.1 million from the FY 04 budget or 19.0% and down $1.5 million or 7.1% from the FY 04 projection. Federal reimbursement is expected to increase from the FY 04 budget by $2.8 million while it is decreasing from the FY 04 projected by $1.6 million. The FY 05 budget reflects a decrease from the FY 04 projected due to the removal of a $2.0 million one-time, unbudgeted, State Criminal Alien Assistance Program (SCAAP) award received in 2004. This revenue source is discounted in 2005 due to an anticipated reduction in federal funding. Excluding the SCAAP award there is a $426,986 increase in federal aid over the FY 04 projected. For the department to reach its federal inmate revenue the Center will have to maintain an average of 235 inmates in 2005. Although the year-to-date average number of federal inmates at the Center is 246, this number has been lower and inconsistent in previous years. The agreement with the federal government calls for a maximum of 150 inmates to be housed at the Center, but the County has been over the limit consistently since September 2001. The increase in the FY 05 budget over the FY 04 budget also reflects an increase in federal inmates (the 2004 budget was conservatively based on 200 federal inmates) and the increase in revenue received from $142.32 to $165 per inmate per day.

Interdepartmental revenues was not part of the adopted budget in 2004 but $120,000 was added for food services provided to the Juvenile Detention Center. In addition, charges for the Police Academy space located on the Correctional Center grounds ($260,360) have been added for 2005.

State aid is decreasing from the FY 04 adopted by $108,000 and from the FY 04 projected by $98,000 due to a projected decrease in state ready and parole violator inmates. Department revenues are increasing by $37,000 due to an initiative that increases fees charged to inmates for expenses related to their stay as previously discussed. Revenue class fines and forfeitures represents fines issued by the Sheriff pursuant to Article 420 of the NY State Criminal Procedure law for certain traffic violations. The Correctional Center is designated by the Court to be the receiver of any fines or surcharges imposed on certain traffic violators.

FY 05 Expense Initiatives

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 05 budget and baseline:

340B Pharmacy Program (PSCC01) - $500,000

Section 340B requires p outpatient drugs purchased by certain covered entities. It has recently been determined that Nassau Univers harmaceutical manufacturers that participate in the Medicaid program to give specified discounts on covered ity Medical Center is eligible for this discount and, therefore, the savings will be passed along to the Correctional Center. The Administration anticipates a $500,000 savings from this in 2005.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	103,173,054	107,410,030	114,866,724	114,203,511	11,030,457	6,793,481
BB	Equipment	62,000	61,900	62,775	62,775	775	875
CC	Materials & Supplies	4,318,150	3,878,604	4,041,258	4,041,258	(276,892)	162,654
DD	General Expenses	741,468	747,940	607,737	250,209	(491,259)	(497,731)
DE	Contractual Services	21,692,120	21,897,643	22,445,084	20,832,344	(859,776)	(1,065,299)
DF	Utility Costs	555,000	589,056	620,275	620,275	65,275	31,219
	Total OTPS	**27,368,738**	**27,175,143**	**27,777,129**	**25,806,861**	**(1,561,877)**	**(1,368,282)**
HF	Inter-Dept. Charges	3,148,858	3,148,858	0	3,781,237	632,379	632,379
	Grand Total	**133,690,650**	**137,734,031**	**142,643,853**	**143,791,609**	**10,100,959**	**6,057,578**

Salary expenses are increasing from the previous year's budget by $11.0 million or 10.7% due to an increase in headcount of 15 and additional funding of $6.1 million for overtime to bring the budget in line with actual spending. Although OLBR anticipates 2004 overtime expenses to be at least $24.0 million and the 2005 budget is $20.9 million, the 25 new officers hired in 2004 and the additional 25 officers anticipated to start January 2005 should have a significant impact on this cost. The current Sheriffs' Officers' Association (ShOA) contract calls for civilianizing 55 non-security positions. By the end of 2004 ten officers should be placed back in security positions with another five officers anticipated to return to security positions in the first quarter of 2005. The department has also begun to fill vacant civilian positions. The overtime budget may still be at risk if the department is not able to maintain the 1,052 officer headcount due to attrition or a delay in the January class. COLA increases for the ShOA employees have not been included as their contract expires at the end of 2004. Officers received a 2.0% increase in July 2004 per the current contract. CSEA employees will be receiving COLA increases of 3.5% in January 2005 and step increases are included for employees in both unions. Partially offsetting these increases is the transfer of three Auto Mechanics from the Correctional Center into the proposed

Department of Fleet Management. However, the proposed local law to create the Department of Fleet Management failed in committee, so these positions will have to be transferred back into the Correctional Center. The total amount transferred out was $162,945 for the three positions.

OTPS expenses have decreased by $1.6 million or 5.7% from the FY 04 budget and by $1.4 million or 5.0% from the projected actual. The major portion is related to contractual services costs, which makes up 81% of the total OTPS budget. Contractual services are decreasing by $0.9 million from the 2004 budget and by $1.1 million from the 2004 projected. This reflects the $500,000 in savings anticipated for the 340B pharmacy program initiative as discussed previously and about $1.1 million for the removal of rental and utility charges. These charges are from the Nassau Health Care Corporation (NHCC), which were removed per the Stabilization Agreement between the County and the Hospital.

This agreement also settles disputed bills, with the County paying $3.1 million in full satisfaction for all services delivered prior to December 31, 2003. It also allows for "the establishment of patient care standards and binding dispute resolution for corrections bills for services commencing January 1, 2004, in accordance with agreed-to inmate patient care standards, conducted by a third-party reviewer which will be procured by the County." A more detailed agreement is to be completed no later than January 1, 2005. Claims from NHCC for health services provided at the Correctional Facility will be under tighter controls. Also NHCC agrees that due to past concerns about health care delivery provided to the Correctional Center, the County may review alternative arrangements for these services and the County may terminate the services provided by NHCC with 60 days prior written notice. However, the County would still be responsible for the 21% mark-up on NHCC's costs attributable to the terminated services through December 31, 2005. The 2003 cost of the terminated services would be used to calculate the mark-up. After December 31, 2005 any payments to NHCC would be dictated by the previously mentioned detailed agreement. An RFP for these services was sent out and the RFP committee is expected to make a selection on September 30th. Two proposals were found to be acceptable and both were planning to continue using NHCC for the in-patient and out-patient services.

Materials and supplies are decreasing from the FY 04 budget by $276,892 or 6.4% but increasing by $162,654 or 4.2% from the FY 04 projected actual. General expenses are decreasing by $491,259 or 66.3% from the FY 04 budget and by $497,731 or 66.5% from the FY 04 projected actual. The decrease is due to the transfer of $357,000 in supper money and beeper pay to salaries and the transfer of $121,000 in auto expenses to the proposed Department of Fleet Management.

Utility costs are increasing by $65,275 or 11.8% from the FY 04 budget and by $31,219 or 5.3% to more accurately reflect costs. Equipment costs are expected to stay close to the FY 04 budget and projected actual.

Inter-departmental charges identify and allocate the costs incurred by other departments on behalf of the Correctional Center. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Inter-departmental charges are budgeted at $3.8 million in 2005 primarily for information technology (IT) and telecommunications ($2.3 million) and building occupancy ($731,907) charges. Telecommunications charges ($729,688) have been separated out in 2005 from the IT charges in anticipation of moving them to direct charges in 2006. In 2005 IT and telecommunications is increasing by $320,737 due to an increase in IT staffing. Building occupancy charges have increased by $103,347 for increases in utilities. County Attorney charges have been added for $161,734 for County Attorneys actually located at the jail.

Nassau County Correctional Center Staffing Analysis						
	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC Full-time Staffing						
10 Correctional Center						
Uniform	1,053	1,022	1,052	1,052	(1)	30
Civilian	112	105	133	133	21	28
Sub-total Full-Time	1,165	1,127	1,185	1,185	20	58
20 Sheriff						
Uniform	41	39	49	39	(2)	0
Civilian	16	13	19	13	(3)	0
Sub-total Full-Time	57	52	68	52	(5)	0
Total Full-time	**1,222**	**1,179**	**1,253**	**1,237**	**15**	**58**
CC Part-time and Seasonal						
10 Correctional Center	0	8	6	6	6	(2)

Full-time staffing in the Correctional Center is budgeted to increase from the September actual by 58 positions, with 25 officers authorized to be hired in January and a total of 30 civilian positions authorized. The hiring of the civilian positions has begun and is expected to continue into 2005. The FY 05 budget is an increase of 20 full-time positions from the FY 04 adopted budget. The Sheriff's division is budgeted at the current actual headcount and below the FY 04 adopted budget by five positions. Six part-time positions, which were taken out of the FY 04 budget, have been restored to the department along with the funding for them. This is down by two positions from the September actual.

Out-Year Initiatives

ID #	NAME	FY 2005	FY 2006	FY 2007	FY 2008
PSCC02	Housing Non-County Inmates	0	1,505,625	1,505,625	1,505,625
PSCC03	Increase Reimbursement: non-County Inmates	0	0	930,750	930,750

The initiative to **house non-County inmates** increases the daily average number of inmates from 230 to 255 inmates for an annual savings of $1.5 million. This may be overstated since the 2005 federal inmate budget is based on 235 which would only be an increase of 20, not 25. Since each additional inmate brings in $165 per day, this leaves a $301,125 variance. The Department believes any additional expenses associated with housing additional inmates would be minimal.

The **increased reimbursement for non-County inmates,** which increases the federal reimbursement by $10 per day to $175 per day, sounds possible. This is an increase of 6.1%, which can be justified by increased wages and inflation between 2004 when the Federal government last agreed to an increase and 2007. A revenue increase of $930,750 is projected starting in 2007 based on an inmate population of 255 (a misprint in the Fiscal 2005-2008 Multi-Year Financial Plan states the revenue increase is based on 225 inmates). This initiative may be at risk depending on the Federal government's willingness to increase the rate and to supply us with the additional inmates.

COUNTY ATTORNEY

The County Attorney's Office is treated as consisting of two divisions: 1) County Attorney, and 2) Workers' Compensation. The office is treated has having 11 bureau's in the Office. The 11 bureaus are Appeals, Tax Certiorari and Condemnation, General Litigation, Family Court, Torts, Legal Counsel, Labor Bureau, Transactions, Claims and Investigations, Administration and Workers' Compensation.

The office has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiatives which have been incorporated into the FY 05 budget and baseline:

Workers' Compensation (SSAT02) - $2,250,000

The initiative projects expenditure savings of $2.3 million in FY 05. At the start of 2002 the County Attorney's office began an overhaul of the operations of the Workers' Compensation Bureau, which includes the relocation of the bureau, significant revenue generation for FY 04 and the hiring of a third party administrator to take over specific areas of the department.

The Workers' Compensation Bureau has been relocated from the Medical Center to 160 Old Country Road. All employees, files and records have been completely removed from the Medical Center. There are approximately 12 full-time and 3 part-time employees working for the bureau at the new location. The County Attorney's office staffs four investigators who can investigate workers' compensation cases and one investigator who is solely responsible for handling workers' compensation. In addition there are also two part time investigators.

The office has claimed reimbursement from "special funds" monies which are owed to the County by the State and have been previously unclaimed by the County. The office has also started pursuing third party liens, which are owed to the County by claimants who win or settle lawsuits against the tort-feasor who caused the injury. The department has also eliminated the backlog of C2 (workers' compensation) forms. The backlog that had existed in the past generated penalty costs from the State.

Finally, in June of 2004, the County Attorney hired a third party administrator (TPA) to handle new claims. The TPA has a staff of nurses and claim examiners to look over claims and determine if the proper procedures and treatment were provided for the reviewed cases. With the help of professionals scrutinizing bills, a determination can be made whether payments are appropriate. In the future, the TPA may be asked to look at old claims.

Added savings will be achieved due to the institution of the TPA to process claims, review existing medical bills and by the institution of a lump sum buyout. Since significant progress has already been shown in restructuring the bureau, savings are likely. However the $2.3 million projection does appear to be rather sizeable to achieve.

Affirmative Litigation and Revenue for Legal Services (SSAT03) - $250,000

The purpose of this initiative is to initiate recoveries from litigation brought by the County for fees and legal service. The department plans on utilizing current staff to look for claims to file against outside defendants. As claims are successfully litigated recoveries will be generated. However, it is difficult to determine how much will be recovered since the department is in the process of creating this unit.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	**Name**	**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
AA	Salaries	8,919,257	9,223,989	11,531,515	9,980,284	1,061,027	756,295
AB	Fringe Benefits	14,335,025	16,900,000	15,802,040	15,802,040	1,467,015	(1,097,960)
	Total PS	**23,254,282**	**26,123,989**	**27,333,555**	**25,782,324**	**2,528,042**	**(341,665)**
BB	Equipment	119,500	119,500	120,994	53,000	(66,500)	(66,500)
CC	Materials & Supplies	30,000	30,000	30,375	30,375	375	375
DD	General Expenses	280,518	530,518	600,000	434,000	153,482	(96,518)
DE	Contractual Services	3,283,000	4,883,000	4,705,075	3,355,075	72,075	(1,527,925)
OO	Other Expenses	1,500,000	4,700,000	1,500,000	1,500,000	0	(3,200,000)
	Total OTPS	**5,213,018**	**10,263,018**	**6,956,444**	**5,372,450**	**159,432**	**(4,890,568)**
HF	Inter-Dept. Charges	1,158,570	1,158,570	0	1,303,489	144,919	144,919
	Grand Total	**29,625,870**	**37,545,577**	**34,289,999**	**32,458,263**	**2,832,393**	**(5,087,314)**

In personal services, salaries are increasing by $1.1 million to $10.0 million in FY 05 due to six additional County Attorney Law Assistants and eight additional Deputy County Attorneys. Additional Deputy County Attorneys are needed to work with other County departments that generate a great deal of legal work. The salary enhancement also includes the continuation of the department's career and salary plan. Fringe benefits in the County Attorney's Office are solely for County-wide workers' compensation costs. Workers' compensation is increasing by $1.5 million, 10% in FY 05.

Other than personnel services are increasing by $159,432 which is mostly from general expenses. General expenses are increasing from $280,518 in FY 04 to $434,000 in FY 05. The FY 04 budget of $280,518 is insufficient, since extra funds were utilized for transcripts and expert witness costs in litigation. In the past these costs were often paid to outside counsel out of the contractual service budget. As the department reduced expenses spent on outside legal service, in house expenses have increased. Therefore, the budget for general expenses appears to be insufficient for FY 05.

Contractual services are increasing by 2% to $3.4 million in FY 05 due to a reduction in legal fees which have been offset by increases in transcribing and briefs, miscellaneous contracts and real property appraisals. Equipment is decreasing by 56% to $53,000 in FY 05 due to the elimination of the line for computer equipment. Computer equipment for all departments will be budgeted out of the Department of Information Technology in FY 05. Materials and supplies is increasing slightly from the current year.

Other expenses remain unchanged at $1.5 million. Other expenses include costs for other suits and damages, which is to pay for small claims under $10,000. However, for FY 04, other expenses will be utilized to reimburse HUD up to $1.2 million for non compliant procurement policies. As of this writing, some of these items in dispute are still open.

Inter-departmental charges are increasing 12.5% or $144,919 to $1.3 million due to increases in information technology, telecommunication, record management and purchasing charges.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance Exec. vs Adopted 04	Variance Exec. vs. Request
10	County Attorney	15,266,065	18,487,959	16,628,715	1,362,650	(1,859,244)
20	Worker's Compensation	14,359,805	15,802,040	15,829,548	1,469,743	27,508
	Total	**29,625,870**	**34,289,999**	**32,458,263**	**2,832,393**	**(1,831,736)**

The County Attorney control center reflects an increase of $1.4 million, which is mostly attributed to salary enhancements. The Workers' Compensation control center increase of $1.5 million is due to higher costs of state assessments as well as the increase costs related to medical expenses and pharmaceuticals.

County Attorney Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	147	152	169	150	3	(2)
Part-time and Seasonal	7	4	13	13	6	9

Budgeted headcount for the County Attorney's Office has been increased by three full-time positions, and six part-time positions. The increase is to hire additional part-time County Attorney Law Assistants and Deputy County Attorneys. The FY 05 budget is two full-time positions under the current staffing level of 152 positions. The office has emphasized its need to maintain the current staffing level to handle the additional legal work needed in various County departments.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BF	Rents and Recoveries	2,800,000	7,000,000	3,050,000	5,050,000	2,250,000	(1,950,000)
BH	Department Revenues	110,000	110,000	110,000	110,000	0	0
BJ	Interdepartmental Revenues	6,239,250	6,304,500	0	8,661,930	2,422,680	2,357,430
FA	Federal Aid	225,000	225,000	225,000	225,000	0	0
SA	State Aid	60,000	60,000	60,000	60,000	0	0
	Grand Total	**9,434,250**	**13,699,500**	**3,445,000**	**14,106,930**	**4,672,680**	**407,430**

The revenue budget for FY 05 has been increased by $4.7 million to $14.1 million. This increase results from rents and recoveries and inter-departmental revenue. Interdepartmental revenue is the largest portion of the revenue budget and includes a $2.4 million increase from FY 05. Interdepartmental revenue of $1.7 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 $6.95 million budgeted under the control center for Workers' Compensation represents charges to departmental workers' compensation accounts. For Workers' Compensation, revenue is budgeted based on the prior year's expenses and usually a journal entry is recorded at the end of the year to transfer the appropriate amount.

Rents and recoveries are increasing by $2.25 million to $5.05 million in FY 05. Most of this increase is $2 million due to recovery for BPA restitution. Also under rents and recoveries, recovery of workers' compensation is increasing by $250,000 to $1.5 million in FY 05.

The FY 04 projection for rents and recoveries is $7 million which is $5.8 million above the FY 04 budget. The County Attorney has generated $3.0 million in this revenue category through September. This is mostly due to the recovery of reimbursement from the state for special injury funds under workers' compensation. The recovery is made available from the special injury fund which is established under section 15(8) of workers' compensation law.

Department revenues, federal aid and state aid in FY 05 remain unchanged from the FY 04 budget.

Out-year Initiatives

ID#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
SSAT04	Risk Mitigation	$0	$250,000	$500,000	$750,000

Through **risk mitigation** the County plans to reduce exposure to such risks as workers compensation, third party personal injury, discrimination, sexual harassment, ethics and malpractice. Through proper prevention, defense and response, and the implementation of a case management system substantial savings are anticipated.

This savings reflects the adoption of protocols recommended by the Marsh USA company. Marsh is currently conducting a 90 day review which will result in a comprehensive plan by year end for the County. The report will provide recommendations to handle and eliminate risk. As the County adopts recommendations and procedures, savings are anticipated to grow in the out-years.

OFFICE OF THE COUNTY CLERK

According to 2004 Multiple Listing Service of Long Island (MLSLI) data, Nassau County has seen tremendous growth in the number of closed real estate transactions. If current trends continue Nassau County is expected to set a record in the number of closed residential real estate transactions. This is good for departmental revenues of which 80% are said to be a function of the number of real estate transactions closed in the County. However, it has placed a strain on the County Clerk's Office which already had a backlog to contend with. This heavy volume is reflected in both the revenue and expense budgets of the department. On the revenue side, departmental revenues are being increased to reflect the higher volume. On the expense side, both personal and other than personal expenses are being increased to provide the department with the equipment and personnel necessary to meet the heightened volume level.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BD	Fines & Forfeits	200,000	200,000	200,000	200,000	0	0
BH	Department Revenues	12,150,000	14,492,813	13,150,000	14,150,000	2,000,000	(342,813)
	Grand Total	**12,350,000**	**14,692,813**	**13,350,000**	**14,350,000**	**2,000,000**	**(342,813)**

The FY 05 aggregate revenue budget is increasing 16.2% from the adopted FY 04 revenue budget, but declining 2.3% from the FY 04 OMB projection. Year-to-date September 2004 departmental revenues are $13.1 million, roughly $1.4 million shy of the OMB FY 04 projection and $0.9 million more than the FY 04 budget. Based on current trends, OLBR is projecting FY 04 County Clerk departmental revenues to be at least $19 million.

Some of the real estate fees incorporated in the departmental revenue line are the County Real Property and Indexing fees, the County share of the fee for the Real Property Transfer Report, the County share of the Real Estate Transfer Tax, the reimbursement of expenses associated with the collection of the Mortgage Recording Tax and the filing fee for small claims assessment review petitions.

OLBR projects FY 04 County Clerk departmental revenues to be up at least 23% from FY 03's $15.4 million actual. OLBR estimates that approximately 3% of FY 04 departmental revenues may be attributed to fees collected for small claims assessment review petitions. The County Clerk has had to contend with a 700% increase in small claims assessment review petitions. These fees are expected to decline slightly in 2005. Approximately 80% of the departmental revenues may be attributed to real estate refinancings and transactions. Roughly 71% of the mortgages recorded in 2004 may be attributed to refinancings. Mortgage refinancings are expected to decline in FY 05 as mortgage interest rates are projected to increase. Through September 2004 the number of closed real estate transactions in Nassau County is up 20.5% from September 2003's level. However, the number of closed transactions declined from a monthly perspective in September 2004. This ended a 13 month run of increases in the number of closed transactions. New mortgage activity should not be as robust in 2005 as interest rates rise. All totaled, FY 05 County Clerk revenues should be less than OLBR's FY 04 projection. However, even with the projected decline, the proposed departmental revenue budget seems overly conservative.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	**Name**	**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
AA	Salaries	4,122,169	4,055,397	4,681,017	4,681,017	558,848	625,620
BB	Equipment	85,000	85,000	100,000	100,000	15,000	15,000
CC	Materials & Supplies	25,000	25,000	28,000	28,000	3,000	3,000
DD	General Expenses	100,926	100,926	102,188	102,188	1,262	1,262
DE	Contractual Services	287,595	287,595	350,000	350,000	62,405	62,405
	Total OTPS	**498,521**	**498,521**	**580,188**	**580,188**	**81,667**	**81,667**
HF	Inter-Dept. Charges	1,656,521	1,656,521	0	1,595,120	(61,401)	(61,401)
	Grand Total	**6,277,211**	**6,210,439**	**5,261,205**	**6,856,325**	**579,114**	**645,886**

The above chart details the County Clerk's expense budget by object class. The department's FY 05 salary line is increasing 13.6% from the FY 04 budget. The salary line is increasing to enable the department to fill its budgeted headcount. Since the FY 04 salary line was not sufficient to fund the budgeted headcount, the department has been operating under budget with a full-time headcount of 90 and a part-time head count of 48. To reach the FY 05 budgeted full-time headcount of 102 and part-time headcount of 70, the department will have to hire 12 additional full-time workers and 22 additional part-time and seasonal workers. OLBR is projecting FY 04 County Clerk payroll to be $4 million. A detailed review of the budgeted payroll for the vacant full-time, part-time and seasonal employees reveals that the budgeted salary line is sufficient to hire all vacant positions in 2005.

The total FY 05 expense budget is increasing by 9.2% from the FY 04 adopted budget. All PS and OTPS expense categories are increasing. These items will enable the department to keep up with its heavy processing volume. Inter-departmental charges are declining 3.7% from both the FY 04 budget and OMB's FY 04 projection. These 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 the County Clerk's Office. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The decrease in FY 05 inter-departmental charges is a result of the elimination of the record management chargeback.

Nassau County Clerk Staffing Analysis	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	102	90	102	102	0	12
Part-time and Seasonal	54	48	70	70	16	22

Budgeted staffing levels are set to increase in FY 05. As mentioned above, the department has been operating under its budgeted headcount with 90 full-time employees and 48 part-time employees. To enable the Office to meet demand, it is being given funding for an additional 12 full-time employees and 22 part-time employees. An itemization of the vacant positions shows that the vacancies are primarily for clerical positions.

COUNTY COMPTROLLER

The County Comptroller's Office is increasing its headcount in order to strengthen its oversight responsibilities.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	**Name**	**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
AA	Salaries	5,364,138	5,328,498	6,224,895	6,060,417	696,279	731,919
BB	Equipment	144,673	144,673	146,481	146,481	1,808	1,808
DD	General Expenses	64,447	64,447	65,253	65,253	806	806
DE	Contractual Services	778,543	778,543	719,500	619,500	(159,043)	(159,043)
	Total OTPS	**987,663**	**987,663**	**931,234**	**831,234**	**(156,429)**	**(156,429)**
HF	Inter-Dept. Charges	5,276,005	5,276,005	0	5,181,696	(94,309)	(94,309)
	Grand Total	**11,627,806**	**11,592,166**	**7,156,129**	**12,073,347**	**445,541**	**481,181**

The FY 05 total expense budget of the Comptroller's Office is set to increase 3.8% from the FY 04 budget. The increase is the net result of an increase in the salary line and a decrease in the contractual services line. Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Comptroller's Office. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The Comptroller's FY 05 interdepartmental charges are decreasing as a result of a reduction in their information technology charges.

County Comptroller Staffing Analysis						
	FY 04 Adopted	**Sept-04 Actual**	**FY 05 Request**	**FY 05 Executive**	**Exec. vs 04 Adopt**	**Exec. vs Actual**
Full-time Staffing	81	80	90	87	6	7
Part-time and Seasonal	8	3	11	11	3	8

The FY 05 budgeted full-time headcount for the Comptroller's office is increasing by six from the FY 04 budget and seven from the September 2004 actual. The department's FY 05 part-time headcount is increasing by three from the FY 04 budget and eight from the September 2004 actual. As mentioned previously the additional personnel is necessary to strengthen the department's oversight capacities. An analysis of the salaries of the new positions reveals that the salary line is sufficient to cover the cost of the new positions.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BF	Rents & Recoveries	1,288,750	375,000	275,000	275,000	(1,013,750)	(100,000)
BH	Department Revenue	18,850	18,850	18,850	18,850	0	0
Total		**1,307,600**	**393,850**	**293,850**	**293,850**	**(1,013,750)**	**(100,000)**

The total FY 05 Comptroller's department revenue budget is projected to decrease by approximately 78% from the FY 04 budget. The decrease is a function of the reduction in the rents & recoveries line. The FY 04 rents & recovery line incorporated revenues projected from a consultant who was seeking reimbursement for Nassau Medical Center Medicare funded Graduate Medical Education and Ambulatory Surgery Services expenses as well as recovered FICA refunds. The IRS has subsequently changed its filing procedures which will delay the recovery of these revenues. In light of the time delay both the OMB FY 04 projection and FY 05 rents & recoveries lines are lower.

COUNTY EXECUTIVE

In FY05 the County Executive's office has been reorganized. It now includes all Deputy County Executives and staff, the Chief Compliance Officer, the Municipal Outreach Program, the Director of Environmental Coordination, and the Director of Local Intergovernmental Relations and respective staff. Most of these individuals were transferred from the Office of Management and Budget.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	816,212	1,532,794	3,071,617	3,071,617	2,255,405	1,538,823
BB	Equipment	15,000	15,000	30,000	30,000	15,000	15,000
DD	General Expenses	27,310	27,310	54,000	54,000	26,690	26,690
DE	Contractual Services	35,000	510,000	120,000	145,000	110,000	(365,000)
	Total OTPS	**77,310**	**552,310**	**204,000**	**229,000**	**151,690**	**(323,310)**
HF	Inter-Dept. Charges	968,284	1,033,534	0	1,851,566	883,282	818,032
	Grand Total	**1,861,806**	**3,118,638**	**3,275,617**	**5,152,183**	**3,290,377**	**2,033,545**

The above chart details the County Executive budget by object class. The FY05 County Executive budget is increasing by roughly 177%. All expense line items are budgeted to increase. The salary line is increasing by 276%. The increase is a function of the reorganization described above. Currently the department is operating with 37 full-time employees and four part-time and seasonal employees. Of the 37 full-time employees, three are going to be transferred to the Office of Emergency Management once the civil service issues are resolved. The contractual services line is recording the greatest percentage increase. That line is being used to budget for Grants Management, County Executive, Planning Federation, and Vertical Management contracts. Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the County Executive's Office. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The inter-departmental charges category is increasing primarily as a result of the department being charged $582,127 for its usage of three Operation personnel, two superior police officers and one ambulance supervisor, who are being paid out the Police Headquarters Fund. Also, contributing to the increase in the inter-department line is the inclusion of County Attorney charges and Police Assembly hall rental fees.

The chart below details the FY 04 adopted, September 2004 actual, and proposed FY 05 budgeted headcount for the Department.

County Executive
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	8	37	34	34	26	(3)
Part-time and Seasonal	3	4	5	5	2	1

COURTS

The County Court System budget funds fringe benefits for court workers who are actually State employees. When the State took over the operation of the Court the workers requested to remain in the County's health plan. The State agreed with this request and reimburses the County for these costs. The FY 05 expense budget is increasing 12% to $2.6 million in FY 05. This increase results from escalating health insurance rates as well as increases in Medicare reimbursement. Since health insurance rates are increasing by over 9% for active and retired employees, the proposed budget for health insurance appears to be more than sufficient.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
SA	State Aid	2,079,000	2,305,600	2,476,483	2,476,483	397,483	170,883

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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AB	Fringe Benefits	2,326,655	2,426,301	2,608,649	2,608,649	281,994	182,348

DEBT SERVICE

The budget for debt service principal and interest payments appears in the Debt Service Fund.

EXPENSE BUDGET BY OBJECT CLASS DEBT SERVICE FUND							
Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
FF	Interest	66,562,387	58,229,579	49,070,992	49,070,992	(17,491,395)	(9,158,587)
GF	Debt Service Savings	(8,895,340)	0	0	0	8,895,340	0
GG	Principal	167,575,452	170,436,043	141,707,851	142,136,942	(25,438,510)	(28,299,101)
OO	Other Expenses	96,873,287	92,581,167	123,259,237	122,405,696	25,532,409	29,824,529
	Total	**322,115,786**	**321,246,789**	**314,038,080**	**313,613,630**	**(8,502,156)**	**(7,633,159)**

The FY 04 budget included $8.9 million in debt service savings related to the anticipated amount of restructuring assistance that NIFA would provide in 2004.

The $122.4 million in other expenses is predominantly made up of $121.9 million for NIFA set-asides, which represents the debt service on the borrowing that NIFA has done on behalf of the County. The remaining $500,000 is on the line for expense of loans, and is used to obtain the services of a financial consultant.

Issuance of $267.7 million in debt is planned for 2005, as follows:

Purpose	Amount	Issuer
Building Consolidation Notes	$42,425,445	Nassau
Tax certiorari	$20,000,000	Nassau
Judgements	$17,500,000	NIFA
Capital Plan	$48,000,000	NIFA
Tax certiorari	$139,772,060	NIFA
Total	$267,697,505	

This borrowing will be carried out in the fall.

REVENUE BUDGET
DEBT SERVICE FUND

Revenue Class		Adopted FY 04 Budget	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs Request
AA	Fund Balance	0	24,379,706	18,979,706	18,979,706	(5,400,000)
BJ	Interdept Revenues	311,804,192	283,055,404	282,630,953	(29,173,239)	(424,451)
BW	Interfd Chgs	10,311,594	6,602,971	12,002,971	1,691,377	5,400,000
	Total	**322,115,786**	**314,038,081**	**313,613,630**	**(8,502,156)**	**(424,451)**

The Debt Service Fund's revenue budget, as can be seen in the chart above, is made up of inter-departmental revenues and interfund charges. The inter-departmental revenues correspond to the amounts charged to each fund for its portion of debt service costs:

	Adopted FY 04	Executive FY05
General	$283,659,260	$257,352,147
County Parks	$19,221,265	$18,349,426
Police Headquarters	$5,144,402	$5,217,906
Fire Commission	$2,885,836	$866,079
Police District	$893,430	$845,394
Grand Total	**$311,804,193**	**$282,630,952**

The $12.0 million in interfund charges in 2005 is in sub-object 1111, debt service recovery-pension. We have been informed by OMB that it should be in sub-object 1112, debt service recovery, because it is not a pension-related item. $5.4 million is revenue from closed out capital projects, $2.4 million is revenue from the Sewer and Storm Water fund for sewer-related projects, and $4.2 million is revenue from the Sewer and Storm Water fund for water-related projects.

EXPENSE BUDGET BY OBJECT CLASS
GENERAL FUND

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
HD	Debt Svc Chargebacks	283,659,260	273,557,840	257,776,599	257,352,147	(26,307,113)	(16,205,693)

The only item in the General Fund Debt Service expense budget is the $257.4 million for debt service chargebacks. This line is used to account for the allocated debt service chargebacks paid to the Debt Service Fund, as detailed above.

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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	23,188,417	22,273,901	24,882,609	24,426,462	1,238,045	2,152,561
BB	Equipment	88,500	88,500	243,603	43,603	(44,897)	(44,897)
CC	Materials & Supplies	80,000	80,000	83,258	83,258	3,258	3,258
DD	General Expenses	396,509	396,509	513,022	496,000	99,491	99,491
DE	Contractual Services	562,250	562,250	771,594	771,594	209,344	209,344
	Total OTPS	**1,127,259**	**1,127,259**	**1,611,477**	**1,394,455**	**267,196**	**267,196**
HF	Inter-Dept. Charges	2,196,483	2,196,483	0	2,338,802	142,319	142,319
	Grand Total	**26,512,159**	**25,597,643**	**26,494,086**	**28,159,719**	**1,647,560**	**2,562,076**

The total FY 05 expenditure budget is increasing by $1.6 million from $26.5 million in FY 04 to $28.2 million. A big portion of this increase results from salaries. Salaries are increasing by $1.2 million or 5%. TheFY 05 budget includes a 3.5% COLA increase as of January 1, 2005 for CSEA employees. Also a salary adjustment of $750,000 has been included for attorney raises under the career and salary plan. Raises under the career and salary plan are based on merit, therefore the amount given to each attorney will vary. This year's salary projection is $22.3 million or $2.2 million under the FY 05 budget.

Other than personal services is increasing by $267,196 or 24% in FY 05. The equipment budget decreased from $88,500 in FY 04 to $43,603 in FY 05. The equipment budget last year included costs to purchase file cabinets and other office equipment, which are not needed for next year's budget. Materials and supplies remain close to the FY 04 budget at $83,258. The FY 05 budget of $496,000 for general expenses will mostly be used for investigation expenses. Investigation expenses include any expenses incurred by investigators during their investigation of criminal activity such as travel, wire taps, vehicles etc. Other expenses under general expenses include travel, postage, books and periodicals, and membership fees.

The FY 05 budget of $771,594 for contractual services is to cover prosecution costs which can include costs associated with hiring expert witnesses, witness travel expenses, court reporting, etc. Other costs in contractual services include security and equipment maintenance, and radio and communications.

The $2.3 million for inter-departmental charges is increasing by 6% from $2.2 million in FY 04. These charges allocate the costs incurred by other departments on behalf of the District Attorney. Corresponding revenue gets booked to the department providing service as an inter-departmental revenue. FY 05 charges for information technology have been reduced by $670,000 while telecommunications have been added and Police Headquarters charges have increased. Last year telecommunications had been included in information technology. Other inter-departmental charges include printing, record management charges, purchasing, fleet maintenance charges, workers compensation expenses, GIS charges, and gasoline charges.

District Attorney
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	333	339	349	335	2	(4)
Part-time and Seasonal	28	15	7	7	(21)	(8)

The FY 05 Proposed Budget reflects 335 full-time positions and seven part-time positions. Subsequent to the budget submission the department received approval to hire additional positions which has not been included in the FY 05 Executive Budget. The Administration plans to make a technical adjustment to increase the headcount to 352 full-time positions and 18 part-time positions. The increase is to hire additional Assistant District Attorneys and Investigators.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BE	Investment Income	400	400	400	400	0	0
BH	Department Revenues	1,274,574	1,274,574	1,031,119	1,031,119	(243,455)	(243,455)
BJ	Interdepartmental Revenue	0	132,323	0	0	0	(132,323)
FA	Federal Aid - Reimbursable	9,461	9,461	201,147	201,147	191,686	191,686
SA	State Aid - Reimbursable	64,700	64,700	55,577	55,577	(9,123)	(9,123)
Grand Total		**1,349,135**	**1,481,458**	**1,288,243**	**1,288,243**	**(60,892)**	**(193,215)**

The revenue budget for the District Attorney is decreasing by 5% which is mostly due to department revenue. Department revenue is made up of miscellaneous receipts and is the largest component in the department's budget. This revenue includes post conviction forfeiture as well as various grants. Such grants include aid to Prosecution, Motor Vehicle Theft and Insurance Fraud, Welfare Fund, and Stop DWI. Any interest accrued on these funds is credited to investment income.

Federal aid is increasing by $192,000 from $9,461 in FY 04 to $201,147 in FY 05. This increase results from three new grants which include Drug Treatment Diversion, Operation Impact and Project Fed Up.

State Aid is received for the reimbursement of DA expenditures relating to salaries in the District Attorney's Office. State aid is decreasing by 14% which results from a loss in reimbursement of the District Attorney's salary.

DEPARTMENT OF DRUG AND ALCOHOL ADDICTION

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

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

Due to the shortage of inpatient beds in Nassau County, NUMC, in cooperation with the Department of Drug and Alcohol is currently preparing a CON (Certificate of Need) application to open 30 inpatient chemical dependency beds for Nassau County.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance Exec. vs Adopted 04	Variance Exec. vs. Request
10	Administration	3,211,955	1,754,873	2,464,608	(747,347)	709,735
40	Chemical Dependency	13,184,871	10,808,504	11,192,972	(1,991,899)	384,468
	Total	**16,396,826**	**12,563,377**	**13,657,580**	**(2,739,246)**	**1,094,203**

The FY 05 budgets for both Administration and Chemical Dependency are decreasing from FY 04. Administration is decreasing by 23% from $3.2 million in FY 04 to $2.5 million and Chemical Dependency is decreasing by $2 million in FY 05 to $11.2 million. The decrease in Administration is mostly attributed to building occupancy charges. The decrease in Chemical Dependency results from the elimination of interdepartmental charges. The amount previously budgeted in inter-departmental charges was used to cover salaries for grant employees who were less than 100% reimbursable. These charges are now accounted for in the salary line, with the corresponding reimbursement, budgeted as state aid. In prior years roughly $4 to $5 million had been budgeted in interfund charges to cover salaries for grant employees who were less than 100% reimbursable.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	**Name**	**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
AA	Salaries	2,513,250	5,420,903	6,356,139	6,096,999	3,583,749	676,096
BB	Equipment	1,500	1,300	1,519	1,519	19	219
CC	Materials & Supplies	12,194	6,000	12,346	10,000	(2,194)	4,000
DD	General Expenses	59,844	667,684	60,592	51,308	(8,536)	(616,376)
DE	Contractual Services	6,510,591	6,510,591	6,132,781	6,132,781	(377,810)	(377,810)
HH	Interfund Charges	4,160,998	250,037	0	0	(4,160,998)	(250,037)
	Total OTPS	**10,745,127**	**7,435,612**	**6,207,238**	**6,195,608**	**(4,549,519)**	**(1,240,004)**
HF	Inter-Dept. Charges	3,138,449	3,283,021	0	1,364,973	(1,773,476)	(1,918,048)
	Grand Total	**16,396,826**	**16,139,536**	**12,563,377**	**13,657,580**	**(2,739,246)**	**(2,481,956)**

Salaries are increasing by $3.6 million from $2.5 million in FY 04 to $6.1 million in FY 05. The increase in salaries comes from the decision by Administration to transfer grant employees who are less than 100% reimbursable into the General Fund. Employees who are less than 100% reimbursable have been transferred to correctly reflect their proper placement in the General Fund.

In April 2004, approximately $3.8 million had been transferred into the salary line to cover the additional employees from the Grant Fund. The modified 2004 budget is $6.3 million which when compared to the FY 05 budget results in a decrease of $200,000. The increase in salaries to cover these positions has been offset by a decrease in inter-departmental charges.

The FY 05 budget for other than personal salaries is decreasing by $4.5 million which is mostly due to interfund charges as explained above. Contractual services are decreasing 6% due to a cut in program agencies. The reductions reflect review of the funding structure of each of the General Fund subcontract agencies. Several of these agencies provide programming that is 100% reimbursable by the NYS Office of Alcoholism and Substance Abuse Services; therefore these programs were shifted to the Grant Fund in 2005.

The following chart reflects a list of funding by program agency:

Agency Name	2005 Budget	2004 Budget	Notes
Angelo J. Melillo	539,209	568,389	
Community Counseling of W. Nassau	246,382	256,185	
Family and Children's Association	714,400	1,126,599	2004 figure is combined.
Family and Children's Association - SS	520,000	0	
Hispanic Counseling	248,557	317,444	
LIJ Medical Center	88,240	89,832	
Long Beach Medical Center	473,108	413,273	
Mental Health Association	300,000	395,000	
Mercy Hospital Center	323,409	231,877	
North Shore Child and Family Guidance	294,975	311,220	
Peninsula Counseling	403,726	339,260	
REACT	666,028	592,133	
SNG	252,830	451,190	
South Shore Child Guidance	322,430	349,094	
Residential Services (reestablishment)	500,000	500,000	
Project Challenge	12,500	12,500	
Tempo Group	70,833	70,833	
Freeport UFSD	11,875	11,875	
North Shore CSD	11,875	11,875	
Plainedge UFSD	11,875	11,875	
St. Edwards School	16,992	16,992	
Wantagh UFSD	11,875	11,875	
Glen Cove CSD	26,125	26,125	
Lynbrook UFSD	15,794	15,794	
Manhasset UFSD	0	20,307	School closed the program in 2004.
Bellmore-Merrick CSD	16,577	16,577	
Levittown UFSD	14,079	14,079	
Valley Stream UFSD	19,088	19,088	
Van Lease	0	9,000	Budgeted in DD in 2005.
NUMC Rent	0	300,300	Budgeted in Real Estate in 2005.
Total Contractual Service Budget	**6,132,782**	**6,510,591**	

Inter departmental charges have been significantly reduced by 57% from $3.1 million to $1.4 million due to a reduction in building occupancy charges. This reduction is due primarily due to the vacating of the Plainview Rehabilitation Center and the Topic House.

Department of Drug and Alcohol Addiction
Staffing Analysis

		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC	**Full-time Staffing**						
10	Administration	7	25	27	23	16	(2)
40	Chemical Dependency Svcs.	25	67	66	66	41	(1)
Total Full-time		**32**	**92**	**93**	**89**	**57**	**(3)**
CC	**Part-time and Seasonal**						
40	Chemical Dependency Svcs.	2	2	5	5	3	3

The FY 05 budget is three positions less than the September actual of 92 positions. This decrease results from three Accounting positions that have been transferred to the Department of Mental Health. Compared to budget, headcount for the department is increasing by 57 full-time positions from 32 positions in FY 04 to 89 positions in FY 05. This is due to the transfer of grant employees into the General Fund. Currently there are 33 grant employees compared to 97 employees at the end of 2003. Also the title for Deputy Commissioner of Drug and Alcohol has been replaced with the title Commissioner of Drug and Alcohol. At some point there should be discussion whether to include all County positions, including Grant Fund positions, in the budget.

Part-time positions have been increased from two in FY 04 to five in FY 05.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BF	Rents & Recoveries	20,000	876	10,000	10,000	(10,000)	9,124
BH	Department Revenues	51,000	300,000	1,000	1,000	(50,000)	(299,000)
BJ	Interdepartmental Revenues	0	659,411	582,061	547,096	547,096	(112,315)
SA	State Aid - Reimb. Exp.	3,311,133	3,038,603	3,444,037	3,403,407	92,274	364,804
	Total	**3,382,133**	**3,998,890**	**4,037,098**	**3,961,503**	**579,370**	**(37,387)**

The Executive FY 05 revenue budget has been increased by $580,000 or 17% from the FY 04 amount which is mostly due to interdepartmental revenue. Interdepartmental revenue did not exist in the FY 04 budget. However since the adoption of the FY 04 budget, $582,200 has been added to the modified FY 04 budget for interdepartmental revenue. When compared to the modified FY 04 budget there is no increase in the revenue. Interdepartmenal revenue includes chargebacks for Drug and Alcohol employees working at the Department of Social Services. It also includes chargebacks for the department's Employee Assistance Program (EAP).

Department revenue has practically been eliminated from the FY 05 budget. The loss is attributed to a cutback in patient and Medicaid receipts which are no longer generated due to the closing of inpatient facilities at the Topic House and Plainview Rehabilitation Center.

State Aid is increasing by $92,274 or 3% to $3.4 million in FY 05. 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 reimbursement: Administrative positions receive 16% reimbursement; Case management receives 50%; DWI receives 95%, TIPS receive 50% and WAGES receives 65%.

Rents and recoveries have been reduced by half to $10,000 in FY 05 for displaced lost and abandoned property by the Police Department. For example, the Police Department may receive funds from the auctioning of a DWI car, a portion of which is transferred to the Department of Drug and Alcohol.

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: 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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	8,649,118	8,459,621	11,330,265	8,259,926	(389,192)	(199,695)
BB	Equipment	102,000	102,000	339,000	22,500	(79,500)	(79,500)
DD	General Expenses	764,000	764,000	1,132,750	542,300	(221,700)	(221,700)
DE	Contractual Services	919,608	919,608	920,000	478,000	(441,608)	(441,608)
	Total OTPS	**1,785,608**	**1,785,608**	**2,391,750**	**1,042,800**	**(742,808)**	**(742,808)**
HF	Inter-Depart Charges	1,206,962	1,206,962	0	1,131,828	(75,134)	(75,134)
	Grand Total	**11,641,688**	**11,452,191**	**13,722,015**	**10,434,554**	**(1,207,134)**	**(1,017,637)**

The proposed 2005 expense budget for the Board of Elections is decreasing by $1.2 million or 10.4% from the 2004 adopted budget and $1 million or 9% from OMB 2004 projections. The reduction of $199,695 in salaries from OMB projections and $389,192 from the 2004 Adopted Budget represents the difference in costs associated with a presidential election year (2004), such as running a presidential primary, when more seasonal employees are required than in a non-primary election year. It also reflects the decrease in overall headcount by three when comparing 2004 Adopted to 2005 Proposed. OTPS costs are declining for the same reason however, in Administration, funding for general expenses has been eliminated and in equipment the reduction is about $52,000. In the 2004 adopted plan, $51,000 was allocated for costs such as postage, office supplies and miscellaneous materials and supplies and other such things associated with operating an office. Although this is not a large expense, it is troubling that the proposed 2005 plan does not include funding for these necessary items. Another $52,000 has been taken out of equipment leaving only $5,500 for miscellaneous equipment. Contractual services are also being reduced by 48%, or $441,608, from the current year's adopted plan and projections. This should be adequate to fund the annual software license contract ($150,000) for the computerized voter registration system, installed in 1999, and the various trucking contracts for moving voting machines.

Inter-departmental charges are decreasing by 6.2% from both the 2004 Adopted and 2004 OMB projections. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Board of Elections. Costs for printing and graphics ($105,377), building occupancy ($687,045) and information technology ($221,375) are included in these charges. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ).

EXPENSE BUDGET
BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs Request
10	Administration	4,214,815	3,724,630	4,310,732	95,917	586,102
20	General Elections	5,561,173	7,652,185	5,177,672	(383,501)	(2,474,513)
30	Primary Elections	1,865,700	2,345,200	946,150	(919,550)	(1,399,050)
	Total	**11,641,688**	**13,722,015**	**10,434,554**	**(1,207,134)**	**(3,287,461)**

The expense budget in the Administration control center is $95,917 more than the 2004 budget due to the addition of four staff positions which is offset by the reduction of $52,000 in equipment and the elimination of $51,000 in general expenses. The reduction in General Elections by $383,501 or 6.9% reflects the loss of seven staff positions and the $270,000 decrease in contractual services.

Board of Elections
Staffing Analysis

CC		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actuals
CC	**Full-time Staffing**						
10	Administration	39	44	44	43	4	(1)
20	General Elections	70	61	65	63	(7)	2
Total Full-time		**109**	**105**	**109**	**106**	**(3)**	**1**
CC	**Part-time and Seasonal**						
10	Administration	0	0	0	0	0	0
20	General Elections	0	58	54	54	54	(4)
Total Part-time and Seasonal		**0**	**58**	**0**	**54**	**54**	**(4)**

Budgeted full time staffing for the Board in 2005 appears to be down by three positions when compared to the current year's budget but actually increasing by one over September Actuals. Although it appears that there is an increase of 54 part-timers over 2004 adopted level of zero, there was sufficient funding in the 2004 budget to support September Actuals of 58 positions.

REVENUE BUDGET							
Revenue Class		**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. Vs FY 04 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
	Grand Total	**155,000**	**138,800**	**155,000**	**155,000**	**0**	**16,200**

The revenue budget for the Board remains flat when compared to the current year's budget. Its major source of income is from the rental of voting machines budgeted in 2005 to generate $120,000 although 2004's projection is for $108,800. Departmental revenues will remain flat at $35,000 but OMB's 2004 projection is $5,000 less than what is budgeted. In 2002 the Board of Elections had adjusted the fee structure for the sale of variety of data, such as forms, reports maps, etc., to conform with the rate of inflation. According to State law, the Board cannot generate revenue for this service but can only charge for the cost of producing such data.

OFFICE OF EMERGENCY MANAGEMENT

The Office of Emergency Management, a new agency that was established and budgeted for in 2003, 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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	495,468	457,462	615,316	615,316	119,848	157,854
BB	Equipment	15,000	34,000	15,188	15,188	188	(18,812)
CC	Materials & Supplies	27,000	13,000	27,340	27,340	340	14,340
DD	General Expenses	35,000	30,000	35,440	35,440	440	5,440
	Total OTPS	**77,000**	**77,000**	**77,968**	**77,968**	**968**	**968**
HF	Inter-Depart Charges	187,755	187,755	0	358,177	170,422	170,422
	Grand Total	**760,223**	**722,217**	**693,284**	**1,051,461**	**291,238**	**329,244**

Salaries, which make up 58.5% of the expense budget, are increasing by $157,854 or 34.5%, when compared to OMB's 2004 projection. This is a reflection of an additional position funded in 2005 and salary increases. OTPS expenses remain flat when compared to 2004's budget and projections although there has been a shifting of funds from materials and supplies and general expenses into the equipment line in 2004. This represents the purchase of a much needed vehicle. The funding for 2005 in the OTPS lines will be restored to 2004 adopted levels.

Emergency Management Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Req.
Full-time Staffing	6	3	7	7	1	0

The 2004 budget had included six full-time positions. As a result of a delay in processing position and title changes, September actuals indicate some of these positions to be vacant. According to OEM, the staff is already on board but is being paid by other departments which are then reimbursed by OEM. As of this writing Civil Service has granted approval for a fourth and fifth title and OEM is awaiting acceptance for the six and seventh titles. This can be a very long process and it is hoped that Civil Service will have all correct positions and titles in place before the next budget.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
FA	Federal Aid	168,735	168,735	168,736	168,736	1	1

2005 revenue reflects a grant from the federal government which partially reimburses the salaries of the Office of Emergency Management.

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.

Recently, the Nassau County Comptroller performed an audit of the Fire Commission for the period of 2001 through 2003. The objective of the audit was to perform a limited review of the Commission's books and records, including the Fee Collection System, and to ascertain whether the Commission's resources are being used effectively.

The audit found the following inefficiencies within the Commission: 1) the Commission is performing many activities for which it is either not charging or not charging a sufficient fee, to cover the cost of services performed. 2) Inspections which are important to protect the public and generate revenues for the commission are not being conducted, for example, night safety checks and gas station inspections. 3) Inspectors spend a good amount of time performing job duties not directly related to their job functions or training, for example, clerical work. 4) In 2002 and early 2003 there was a decrease in overtime enforcement efforts, which has had a negative budgetary impact on the Commission. 5) Within several divisions, inspections or tests are not being conducted on an annual basis, monitoring of inspectors is inadequate, and entry of data concerning inspections, tests, and violations into the Fee Collection System is not timely. 6) Finally, the Fee Collection System is outdated and no longer supported by the technology vendor.

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 05 budget and baseline:

Fee Initiative (BFBU01) - $211,000

This is part of the County-wide initiative to increase fees by $3.8 million. The proposed increase in Fire Commission fees will primarily impact inspection and certification fees charged to those commercial businesses who store, transport or deliver compressed flammable / hazardous gasses, liquids, or solids. Other fee increases are proposed for the various EMT classes the Fire Commission provides to the general public. A proposed Ordinance was recently submitted to the Legislature to increase all article fees under the Fire Commission. Examples of article fees collected under this revenue source are fire alarm, smoke alarm, sprinkler system, bulk storage, inspection, truck, and generator fees, etc. The increase in article fees result in an enhancement of $180,000 for this revenue source. Also a recently submitted local law has increased tuition fees for courses provided by the Nassau County Fire-Police Emergency Medical Services Academy.

Increase Number of Emergency Lighting Tests (PSFC03) - $275,000

This initiative authorizes the Fire Commission to utilize overtime in order to conduct more lighting tests. The net revenue in the initiative is computed by subtracting the overtime hours worked on the initiative from the revenue generated. The fee for an Emergency Lighting Test is $350 per test, and each test usually takes 90 to 120 minutes to perform. Inspectors usually complete two tests in four hours and earns roughly $55 per hour. Therefore in four hours the Inspector would accumulate $220 in overtime, however the revenue generated would be $700 resulting in an overall profit of $480 for two tests.

The department has seen very positive results as a result of this initiative. Roughly $161,000 in revenue has been generated through August 2004. As of August, approximately 831 tests were performed, which is an increase of 586 or 239% from 2003 total. Revenue in FY 05 of $275,000 appears very achievable.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BE	Invest Income	0	17,633	0	0	0	(17,633)
BF	Rents & Recoveries	0	459	0	0	0	(459)
BH	Department Revenues	3,364,000	3,414,961	3,500,000	3,850,000	486,000	435,039
SA	State Aid - Reimburs	100,000	100,000	100,000	100,000	0	0
TL	Property Tax	17,781,846	17,781,846	17,781,846	15,965,170	(1,816,676)	(1,816,676)
	Grand Total	**21,245,846**	**21,314,899**	**21,381,846**	**19,915,170**	**(1,330,676)**	**(1,399,729)**

The total revenue budget is decreasing by $1.3 million or 6%, corresponding to the decrease in expenditures. This decrease is a reduction in the Commission's share of the property tax levy. Department revenue is increasing by $486,000 from $3.4 million in FY 04 to $3.8 million in FY 05. Department revenues are rising due to increased fees and the initiative for emergency lighting tests. State aid is made up of reimbursements from New York State for teaching emergency medical courses. This revenue remains unchanged from FY 04. Property taxes are decreasing 5% from $17.7 million in FY 04 to $15.9 million in FY 05. The total revenue budget of $19.9 million appears achievable in FY 05.

EXPENSE BUDGET BY OBJECT CLASS								
Obj	**Name**	**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
AA	Salaries	8,582,868	8,608,331	9,250,539	9,053,858	470,990	445,527
AB	Fringe Benefits	2,933,176	2,967,678	3,062,874	3,066,062	132,886	98,384
	Total PS	**11,516,044**	**11,576,009**	**12,313,413**	**12,119,920**	**603,876**	**543,911**
BB	Equipment	149,215	100,648	152,199	152,199	2,984	51,551
CC	Materials & Supplies	84,000	50,716	85,680	85,680	1,680	34,964
DD	General Expenses	248,700	178,101	253,674	193,572	(55,128)	15,471
DE	Contractual Services	4,451,000	4,451,000	4,540,020	4,540,020	89,020	89,020
	Total OTPS	**4,932,915**	**4,780,465**	**5,031,573**	**4,971,471**	**38,556**	**191,006**
HD	Debt Svc Chargebacks	2,885,836	2,908,815	866,079	866,079	(2,019,757)	(2,042,736)
HF	Inter-Dept. Charges	1,911,051	1,911,051	0	1,957,700	46,649	46,649
	Grand Total	**21,245,846**	**21,176,340**	**18,211,065**	**19,915,170**	**(1,330,676)**	**(1,261,170)**

The FY 05 expenditure budget is projected to decrease by $1.3 million from $21.2 million in FY 04 to $19.9 million. The decrease results from a reduction in debt service chargebacks.

The allocations for salaries and fringe benefits are increasing by $603,876 or 5%. The salary budget includes a 3.5% COLA increase as of January 1, 2005 for CSEA employees, plus annual step increases. A portion of the salary increase is related to an increase of almost $100,000 in overtime. Overtime is utilized to generate revenue through emergency light testing and accelerated test inspections. The FY 05 salary budget is sufficient.

The increase in fringe expenses is mostly due to escalating health insurance rates and a small increase exists in Medicare reimbursement. Health insurance for current and retired employees is increasing 9.3% from $1.4 million in FY 04 to $1.5 million in FY 05. The fringe budget appears to be sufficient.

Other than personal services remains close to the FY 04 budget with less than 1% variance. Minimal increases exist in equipment, materials and supplies and contractual services. General expenses are decreasing 22% due to the transfer of expenses for beeper pay, supper money and membership fees into the salary budget. The contractual services budget of $4.5 million includes costs for VEEB services, education expenses, building rental to occupy space at the Nassau University Medical Center and radio and communication services.

Debt service chargebacks are decreasing by $2 million from $2.9 million in FY 04 to $0.9 million in FY 05. Debt service chargebacks are used to account for the allocated debt service charges within a fund. A corresponding revenue is booked in the Debt Service Fund.

Interdepartmental charges remain close to the FY 04 budget increasing by $46,649 in FY 05. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Fire Commission. Corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Such expenses incurred by the Commission include printing, postage, information technology, record management charges, purchasing, fleet maintenance charges, building occupancy charges, workers compensation expenses, GIS charges, PDH charges, etc.

Fire Commission
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time staffing	113	114	115	113	0	(1)
Part-time and Seasonal	23	24	26	26	3	2

The FY 05 staffing level remains unchanged at 113 full-time positions. The 113 full-time positions is the net result of adding two Fire Commission Technicians and reducing two clerical positions. Part-time positions are increasing due to three additional instructors for the Emergency Medical Service Academy.

OFFICE OF FLEET MANAGEMENT

On February 1, 2004, the Office of Fleet Management began to assume control of Fleet Management and related activities, pursuant to operations directive 025A-2004. Thereafter, operational control of vehicle procurement, allocation and maintenance by the Office was phased in. To date the creation of the office has not been approved by the Legislature.

The proposed 2005 budget contains funding to cover the costs of Fleet Management staff, vehicle and equipment purchases and administrative overhead. Funds for the items were transferred from resources previously allocated to the department of Public Works, Police Department, Correctional Center and OMB.

The main responsibilities of the office are as follows: Oversee the purchase, sale, lease, rental or other procurement of all vehicles to be used by County departments or officials in connection with official County business. Monitor all County departments use and requests for use of the County's fleet vehicles; provide assistance to other County departments in meeting their fleet usage needs and make recommendations to the County Executive with annual reports on the number, condition, usage and maintenance costs of the County's vehicle fleet.

OLBR has questions regarding the savings and efficiencies of the proposed office. Also, it is not clear why the Parks Department fleet was not rolled into this new office.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Request
AA	Salaries, Wages & Fees	8,603,590	8,162,164	(441,426)
BB	Equipment	2,769,449	2,769,449	0
CC	Materials & Supplies	2,643,384	2,643,384	0
DD	General Expenses	1,163,967	833,788	(330,179)
DE	Contractual Services	677,000	677,000	0
	Total OTPS	**7,253,800**	**6,923,621**	**(330,179)**
				0
HF	Inter-Depart Charges	0	171,774	171,774
	Grand Total	**15,857,390**	**15,257,559**	**(599,831)**

The FY 05 salaries account of the office is budgeted at $8.2 million. These funds are budgeted to cover the expense of the offices 121 employees. Included in this amount is $1.2 million for overtime. The FY 05 aggregate OTPS accounts are funded with $6.9 million. The equipment account budget which is funded with $2.7 million includes $2.5 million for the purchase of new police cars. An additional $2.5 million for the 2005 Police vehicles Lifecycle replacement program will be provided for through a FY 04 pre payment. The remaining $269,449 in the equipment account will be used to purchase other vehicles for the County. The Office is expects to spend $1.7 million for vehicle parts, and another $930,000 for fuel. These expenses are budgeted in the material and supplies account.

Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office of Fleet Management. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest components of the office's inter-departmental charges are for building occupancy $160,000 and information technology charges of $10,979.

Office of Fleet Management
Staffing Analysis

	FY 05 Request	FY 05 Executive	Variance Exec. vs Request
Full-time Staffing	124	121	(3)
Part-time and Seasonal	9	9	0

The new office will be staffed with 121 full-time employees and 9 part-time employees. The full-time employees are comprised of 68 positions from the Police Department, 46 from Public Works Department and the rest from other departments. All of the part-time positions are Clerk I titles.

REVENUE BUDGET

Revenue Class	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Request
BJ Inter-departmental Revenues	0	18,692,381	18,692,381

Inter-departmental revenues is reimbursement for the costs incurred by Fleet 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 inter-departmental charge. In the past inter-departmental charges were only allocated to the major funds.

Out-Year Initiatives:

#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
SSFM01	Fleet Management	0	500,000	500,000	500,000

The **Fleet Management** initiative expects to reduce fleet related cost by initiating a comprehensive plan, which includes consolidated purchasing, central distribution, scheduled maintenance, and use of an advanced information tracking system-. They expect to be able to better manage its parts, inventory and perform repairs more quickly.

In FY 06, cost reductions are projected in overtime, parts, fuel and service expenses. OLBR acknowledges that some savings should be expected by combining fleet services, but it is not clear if the projections for the out-years are achievable.

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 member Board of Health oversees all activities and staff.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	15,556,992	15,299,233	16,361,388	16,328,485	771,493	1,029,252
BB	Equipment	29,780	19,780	30,000	30,000	220	10,220
CC	Materials & Supplies	623,500	533,500	630,000	630,000	6,500	96,500
DD	General Expenses	1,195,400	1,696,400	1,304,000	1,177,200	(18,200)	(519,200)
DE	Contractual Services	5,728,000	5,728,000	5,738,000	5,738,000	10,000	10,000
HH	Interfund Charges	0	0	25,000	25,000	25,000	25,000
PP	Early Int./Special Edu.	45,400,000	44,000,000	45,000,000	45,000,000	(400,000)	1,000,000
	Total OTPS	**52,976,680**	**51,977,680**	**52,727,000**	**52,600,200**	**(376,480)**	**622,520**
HF	Inter-Dept. Charges	2,010,922	3,497,790	0	3,627,728	1,616,806	129,938
	Grand Total	**70,544,594**	**70,774,703**	**69,088,388**	**72,556,413**	**2,011,819**	**1,781,710**

The FY 05 Executive budget for the Health Department is $2.0 million or 2.9% more than the FY 04 adopted amount. OMB has separated out Early Intervention contractual costs from contractual services for the FY 05 budget. For comparative purposes we have separated out the FY 04 budget and projected actual and the FY 05 budget request. Early Intervention, which makes up most of the department's OTPS budget, is budgeted at $45.0 million in FY 05, a $400,000 or 0.9% decrease from the FY 04 budget but a $1.0 million or 2.3% increase from the FY 04 projected actual. This is due to a lower than anticipated increase in the number of children served. In 2004 the projected number of children served (6,700) is currently at 1.9% over the 2003 actual (6,576) rather than the 4.7% originally budgeted. The caseload in 2005 (6,800) is expected to be 1.5% over the projected 2004 caseload and there is no increase anticipated in the rates per child.

The majority of the expense 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 up to 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. This agreement with the Corporation expires in October of 2006 and is up for renegotiation. The original transfer agreement called for binding arbitration at the expiration if no agreement could be reached, but this has been removed with the approval of the new Stabilization Agreement.

Salaries are increasing from the FY 04 adopted budget by $771,493 or 5.0%. The increase is due to step increases, a 3.5% COLA increase, $164,837 added back for part-time positions deleted from the FY 04 budget and $126,300 transferred from general expenses into salaries for beeper pay, supper money and mileage payments. This is partially offset by the reduction of five full-time positions. The 2005 budget is increasing by $1.0 million or 6.7% from the 2004 projected actual. The FY 05 budget reflects an increase of two full-time positions from the September 2004 actual, the transfer of the supper, mileage, and beeper pay, a 3.5% COLA increase to be received in January 2005 and step increases.

The FY 05 budget for general expenses is decreasing from the FY 04 budget by $18,200 or 1.5% and by $519,200 from the FY 04 projected. The decrease from the 2004 projected is due to $576,000 being charged in 2004 for the health and human services scanning project. This accounts for the entire cost of this project in the Health Department and is not included in the FY 05 budget. Although this project will not begin in 2004, the contract should be approved this year. Materials and supplies is expected to increase slightly over the FY 04 budget and by $96,500 over the FY 04 projected actual. Equipment is expected to remain close to the 2004 budget and to increase over the projected actual by $10,220.

Inter-departmental charges identify and allocate the costs incurred by other departments on behalf of the Health Department. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Inter-departmental charges are budgeted at $3.6 million in 2005 primarily for transportation costs of children in the early intervention program provided by the Department of Mental Health ($1.2 million), IT ($791,379) and building occupancy ($684,186) charges. The FY 05 budget is increasing by $1.6 million over the previous year primarily due to the Mental Health charges, which were left out of the FY 04 budget. Also increasing is purchasing charges ($112,855) and building occupancy charges ($92,771) for lease and utility increases. The inter-fund expenses are increasing by $25,000 in the FY 05 budget for expenses incurred at Nassau Community College for training services. This is an on-going service received by the Health Department but was omitted from the 2004 budget.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Change From FY 04 To Executive	Change From Request To Executive
10	Administration	3,939,253	2,491,306	4,643,535	704,282	2,152,229
20	Environmental Health	6,481,738	6,796,982	6,738,880	257,142	(58,102)
30	Laboratory Research	2,731,417	2,624,663	2,752,392	20,975	127,729
40	Public Health	8,080,997	8,114,129	8,160,298	79,301	46,169
51	Child Early Interven.	49,311,189	49,061,308	50,261,308	950,119	1,200,000
	Total	**70,544,594**	**69,088,388**	**72,556,413**	**2,011,819**	**3,468,025**

The increase from the 2004 departmental request is from the $3.6 million in inter-departmental charges, which the Department did not request. The increase in Administration (17.9%) is for inter-departmental charges ($536,910) and salary increases ($147,072). Environmental Health is increasing from the FY 04 budget (4.0%) due to salary increases ($465,442), but this increase is partially offset by workers compensation expenses which were moved to the Administration cost center. Both Laboratory Research and Public Health are increasing by less than one percent from the 2004 budget. Laboratory Research and Public Health were reduced two full-time positions each from the FY 04 budget to reflect the actual headcount. Children's Early Intervention Services are increasing by $950,119 or 1.9%. The inter-departmental charges from Mental Health are added here for $1.2 million, but this is partially offset by the decrease in early intervention contractual services which is decreasing by $400,000.

Health Department
Staffing Analysis

CC		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC	**Full-time Staffing**						
10	Administration	36	35	38	36	0	1
20	Environmental Health	90	91	93	91	1	0
30	Public Health Laboratories	29	27	27	27	(2)	0
40	Public Health	31	28	30	29	(2)	1
51	Child Early Interven.	60	58	58	58	(2)	0
Total Full-time		**246**	**239**	**246**	**241**	**(5)**	**2**
CC	**Part-time and Seasonal**						
10	Administration	0	9	9	9	9	0
20	Environmental Health	14	18	18	18	4	0
30	Public Health Laboratories	0	3	3	3	3	0
40	Public Health	0	2	2	2	2	0
Total Part-time and Seasonal		**14**	**32**	**32**	**32**	**18**	**0**

The FY 04 budget eliminates five budgeted full-time positions to more closely reflect the actual headcount. The budgeted FY 05 staffing adds back part-time positions that were deleted in the FY 04 budget and more accurately budgets for seasonal employees in Environmental Health. The total budget for part-time and seasonal employees is $224,837 for 32 positions, which reflects the September actual. This is $163,237 over the FY 04 budget of $61,600 for 18 positions.

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 05 budget and baseline:

Fee Initiative (BFBU01) - $213,996

This is part of the County-wide initiative to increase fees by $3.8 million. This department will be increasing fees a total of $213,996. About $120,000 of these will come from food service establishments. Another $48,000 will be derived from fees charged to Article XI facilities (toxic and hazardous material storage etc.). The rest of the fee increases will come from various sources including public health lab fees, lifeguard certification, recreational facilities and x-ray equipment inspections. These fees require approval by the Board of Health, which the Department anticipates receiving in November. No Legislative approval is required.

REVENUE BUDGET								
Revenue Class		**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. Vs FY 04 Proj.**
BC	Permits & Licenses	3,320,850	3,320,850	3,396,800	3,603,296	282,446	282,446
BD	Fines & Forfeits	200,000	200,000	225,000	225,000	25,000	25,000
BF	Rents & Recoveries	250,000	200,000	175,000	175,000	(75,000)	(25,000)
BH	Department Revenues	7,091,400	6,841,400	6,829,400	6,836,900	(254,500)	(4,500)
SA	State Aid	26,890,000	26,857,585	27,700,000	27,671,288	781,288	813,703
	Total	**37,752,250**	**37,419,835**	**38,326,200**	**38,511,484**	**759,234**	**1,091,649**

The FY 05 revenue budget is increasing from the FY 04 budget by $759,234 or 2.0% and from the 2004 projected by $1.1 million or 2.9%. This increase is due primarily to state aid increasing by approximately $800,000 or 2.9% over the FY 04 budget and actual. This includes increased revenue received in reimbursement for the services provided by the Nassau Health Care Corporation as previously discussed. Revenues for this were recently reduced due to the inability of the Corporation to provided sufficient proof of proper spending of the $5.0 million paid to it by the County. The Corporation has now begun providing the necessary documentation and full reimbursement is anticipated in 2005. In addition, the increased inter-departmental charge should generate increased reimbursement by about 36% of the increased charges. This is partially offset by the decreased reimbursement expected for Early Intervention due to the decreased enrollment.

Departmental revenues are decreasing from the FY 04 budget by $254,500 or 3.6% and remaining close to the FY 04 projected actual. Payments for Early Intervention from third party payers has been going down due to the increasing use of self insurance for health care by companies seeking to cut costs. The self insurance is not regulated by New York State and they are therefore not required to pay for early intervention, accounting for a $700,000 decrease from the FY 04 budget. This is partially offset by an increase in Medicaid fees for Early Intervention, due to earlier identification of children eligible for Medicaid. The Health Department is working with Social Services to match children to Social Services' database in order to identify eligibility.

Permits and licenses is increasing by $282,446 or 8.5% from the FY 04 budget and projected actual as a result of the fee increasing initiative as previously discussed. Rents and recoveries, which is for tobacco education are decreasing from the FY 04 budget by $75,000 and from the FY 04 projected actual by $25,000. The department has not decreased the level of tobacco education but rather has been drawing down additional grant funds.

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 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.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BG	Rents Offset To Expense	0	0	500,000	500,000	500,000	500,000
BW	Interfund Charges	0	0	670,069	755,657	755,657	755,657
FA	Federal Aid Reimb. Exp.	0	0	300,000	300,000	300,000	300,000
SA	State Aid - Reimb. Exp.	0	0	4,950,000	4,950,000	4,950,000	4,950,000
Total		**0**	**0**	**6,420,069**	**6,505,657**	**6,505,657**	**6,505,657**

The $23.8 million in HUD funding for CDBG, HOME and ESG programs for 2004/2005 30th program year is reflected in the Grant Fund, not the General Fund operating budget. The 2005 General Fund revenue budget for OHIA is $6.5 million which is made up primarily of federal and state grants. The Economic Revitalization Unit (ERU), part of Economic Development Vertical, 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 ERU is working to secure a grant from the U.S Environmental Protection Agency in the amount of $100,000 that will subsidize a countywide environmental insurance program that will offer affordable insurance products to smaller brownsfields to facilitate their development. Another grant from the U.S. Environmental Protection Agency is for the Brownsfields Assessment Demonstration/Pilot Program for $200,000 which will be used to inventory, characterize and conduct planning relating to one or more brownfield sites or as part of a community-wide effort in the Village of Hempstead and the hamlet of Roosevelt. The largest portion of 2005 revenue is for $4,950,000 in State grants which will fund various phases of initiatives for Brownsfields Redevelopment Initiatives that include the clean up of Coes Neck Park.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	**Name**	**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
AA	Salaries	0	875,887	966,616	881,616	881,616	5,729
BB	Equipment	0	8,000	8,000	7,600	7,600	(400)
DD	General Expenses	0	99,465	77,465	73,592	73,592	(25,873)
DE	Contractual Services	0	550,000	6,025,000	6,025,000	6,025,000	5,475,000
	Total OTPS	**0**	**657,465**	**6,110,465**	**6,106,192**	**6,106,192**	**5,448,727**
HF	Inter-Depart Charges	0	0	0	514,432	514,432	514,432
	Grand Total	**0**	**1,533,352**	**7,077,081**	**7,502,240**	**7,502,240**	**5,968,888**

The 2005 expense budget is $7.5 million, most of which, $6 million, is for contractual services. A large portion of the remainder, $881,616, is for the salaries of 11 full time staff. The $6 million in contractual services is for various contracts for the Brownsfields Redevelopment Initiatives which will be offset by grants from the federal EPA and State.

Office of Housing & Intergovernmental Affairs Staffing Analysis						
	FY 04 Adopted	**Sept-04 Actual**	**FY 05 Request**	**FY 05 Executive**	**Exec. vs 04 Adopt**	**Exec. vs Req.**
Full-time Staffing	0	11	12	11	11	(1)

In FY 04 all of OHIA's employees were accounted for in the Grant Fund. The proposed budget is funded for 11 positions. The Final Report on the Finances and Operations of Certain Departments, Independent Agencies, and Independent Corporations in the Economic Development Vertical prepared by Deputy County Executive Arthur A. Gianelli recommended that only employees whose salaries and fringe benefits are fully and exclusively supported by state or federal grants should be included in the County's Grant Fund. The full salaries of all County employees whose salaries (i) are partially supported by federal grant funds; or (ii) can be partially charged to other County agencies and corporations should be included in the appropriate department in County's General Fund budget. An interfund revenue appropriation should be established to support that portion of the salaries and fringe benefits of County General Fund employees eligible to be charged against grant funds. This is reflected in the revenue budget under interfund charges (BW) in the amount of $655,000 for Grant Fund transfers. The current number of employees working in OHIA funded through the Grant Fund is 51. At some point there should be discussion whether to include all County positions, including Grant Fund positions, in the budget.

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 2005 is to centralize Human Resources. Three new employees have been hired recently in part to provide additional oversight and coordination for the human resource efforts of the individual departments. The department's goals for 2005 also include continued training, replacement of the payroll and personnel system (NUHRS), and performing an overall review of the County's employee benefits program.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	532,126	531,871	922,014	701,014	168,888	169,143
CC	Materials & Supplies	7,500	3,750	7,500	7,500	0	3,750
DD	General Expenses	44,500	44,500	82,500	82,500	38,000	38,000
DE	Contractual Services	40,000	40,000	120,000	120,000	80,000	80,000
	Total OTPS	**92,000**	**88,250**	**210,000**	**210,000**	**118,000**	**121,750**
HF	Inter-Dept. Charges	192,806	192,806	0	236,958	44,152	44,152
	Grand Total	**816,932**	**812,927**	**1,132,014**	**1,147,972**	**331,040**	**335,045**

Salaries have increased from the FY 04 budget and projected actual by about $169,000 or 32%. This reflects the addition of three new employees who will help with the human resources centralization effort. The department expects to be one full-time position over budget sometime during 2005 due to the conversion of one part-time employee to full-time but there should be sufficient funding due to the delay in hiring up and promoting within.

OTPS is increasing by about $120,000 from the FY 04 budget and projected actual which is about a 130% increase. Materials and supplies are remaining flat from the FY 04 budget with a reduction in expenses projected for FY 04. General expenses is increasing by $38,000 or 85.4% from the FY 04 budget and projected actual. This is primarily for a $35,000 increase in advertising. The department feels the additional funds are necessary to attract high quality employees since the improving economy is making the market for professional positions more competitive. Contractual services is increasing by $80,000 from the FY 04 budget and projected actual. These funds are utilized for outside contractors to help provide training seminars for management training, and organizational development. Although training was conducted for upper management in 2004, training is expected to expand greatly in 2005, including more management and some non-management employees.

Inter-departmental charges identify and allocate the costs incurred by other departments on behalf of Human Resources. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Inter-departmental charges are budgeted at $236,958 in 2005, an increase of $44,152 or 22.9% over the FY 04 budget and projected actual. Most of this is for $37,525 in security charges, allocated to this department for the first time in 2005.

Human Resources
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	8	8	14	11	3	3
Part-time and Seasonal	1	4	2	2	1	(2)

Staffing levels for full-time employees are increasing by three positions over the FY 04 budget and September 2004 actual. Although there appears to be a decrease of two part-time positions from the September actual, the $36,000 included for the two seasonal clerks, an increase over the $20,000 in the FY 04 budget, should be sufficient.

Out-Year Initiatives

ID #	NAME	FY 2005	FY 2006	FY 2007	FY 2008
SSPE01	Automated Time and Leave System	0	850,000	1,700,000	1,700,000

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.

Although the Administration originally estimated a phase in period of three years with savings in 2004 of $1.7 million (discounted at 50%), in 2005 of $2.6 million (discounted at 75%) and in 2006 of $3.4 million, these estimates have been reduced to $850,000 in 2006 and $1.7 million for 2006 and 2007.

The dollar reduction is due to a decreasing work force with less room for efficiency savings. Savings are being pushed out another year because this system should be purchased in conjunction with the new employee information system expected to take the place of NUHRS. The department issued an RFP on June 23rd for a systems integration company which will make a needs assessment, determine the best software available for the County, and implement the new system. It is anticipated that new software could be implemented in 15 to 18 months after the systems integration company is selected.

The savings for the automated time and leave system are based on the experience of the provider and it is therefore difficult to ascertain the accuracy of them. 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). There are also savings occurring from reduced usage of payroll employees, employees in each department that track payroll, and efficiencies that occur due to better management with improved overtime and project cost information. 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.

COMMISSION ON HUMAN RIGHTS

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

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

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	603,868	576,633	592,598	582,598	(21,270)	5,965
BB	Equipment	7,000	3,500	7,000	6,650	(350)	3,150
CC	Materials & Supplies	3,000	1,500	3,000	2,850	(150)	1,350
DD	General Expenses	23,450	11,725	23,450	22,277	(1,173)	10,552
DE	Contractual Services	25,000	25,000	25,000	25,000	0	0
	Total OTPS	**58,450**	**41,725**	**58,450**	**56,777**	**(1,673)**	**15,052**
HF	Inter-Depart Charges	134,489	134,489	0	218,654	84,165	84,165
	Grand Total	**796,807**	**752,847**	**651,048**	**858,029**	**61,222**	**105,182**

In FY 05 the salaries expense for the Commission will decrease by 3.5%. The decrease is the result of the Commission losing the funding for one full-time position. The savings from the loss of the full-time position is offset by CSEA contractual raises. The Executive Director's salary, which has remained flat for the past three operating budgets, will receive a 2.3% increase in FY 05.

The aggregate OTPS expense accounts will be funded $56,777. This represent a small reduction compared to FY 04 budgeted levels. The Commission utilizes its contractual services account to secure the services of outside counsel. In the event the Commission becomes involved in litigation, conflict of interest prevents the County Attorney from representing the County and the Commission where other County agencies are involved. The Commissioner of Human Rights stated at the Government Services hearing that the Commission has been attempting to secure a case-tracking system. The software permits storage and transfer of information from document to document and also the compilation of case data from zip code to base to area of complaint within a secure environment to protect the confidentiality of commission clients.

Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Commission of Human Rights. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest components of the inter-departmental charges are for GIS ($76,199), building occupancy charges of $47,729 and $35,444 for printing, graphics and mail.

Commision on Human Rights
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	10	10	9	9	(1)	0
Part-time Staffing	1	1	1	1	1	0

The budgeted full-time staffing level for the Commission will decrease by one position for FY 05 to make the proposed staffing levels out of balance with the current actuals. Through attrition the Commission expects to lose one position during the course of the year. In FY 02 the Commission had 13 full-time employees. When individuals left the Commission their positions were removed from the budget.

At the Government Services hearing the Commissioner stated that vital positions have been lost due to attrition. The Commission also expressed reasonable concerns regarding the office's lack of a Spanish speaking employee and an employee who could prepare cases for court. The Commission feels their ability to fulfill the mission of the office is compromised by not having the appropriate staff.

OFFICE OF INFORMATION TECHNOLOGY

The department of Information Technology (IT) has been very active in 2004. The FY 04 budget was adopted with a Technology Fund which was funded with $19.9 million. IT expects to completely exhaust that money this year. The department hopes to have capital fund money available for IT projects during the FY 05 budget year. On October 1, 2004 the data center and central support center of the office moved to Bethpage. The projects to roll out new computers and migrate all County employees to one e-mail system are in their final stages and should be completed the latter part of the year.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	7,470,974	8,883,020	10,507,161	9,267,706	1,796,732	384,686
BB	Equipment	0	0	400,000	250,000	250,000	250,000
CC	Materials & Supplies	12,300	12,300	12,000	12,000	(300)	(300)
DD	General Expense	1,680,694	1,680,694	1,965,402	1,965,402	284,708	284,708
DE	Contractual Services	3,598,150	3,598,150	5,297,908	5,297,908	1,699,758	1,699,758
DF	Utility Cost	5,102,054	5,102,054	5,484,708	5,484,708	382,654	382,654
	Total OTPS	**10,393,198**	**10,393,198**	**13,160,019**	**13,010,018**	**2,616,820**	**2,616,820**
HF	Inter-Depart Charges	1,355,809	1,355,809	0	1,297,130	(58,679)	(58,679)
	Grand Total	**19,219,981**	**20,632,027**	**23,667,180**	**23,574,854**	**4,354,873**	**2,942,827**

The increase in salaries reflects the addition of 16 full-time positions to the 05 budget. The total proposed OTPS budget is $2.6 million more than the adopted FY 04 budget. The increase is largely due to the contractual services account. Funds allocated to this account are used to pay maintenance and licensing fees for various hardware and software components throughout the County. The department projects next year's expense will increase due to expected contracts for eGovernment and the County financial system and the department's plan to finish the migration of County employees to the new e-mail system. The cost to facilitate these projects will be paid In FY 04 through the technology fund and the cost of maintenance and licensing fees will be paid from the department's operating budget in FY 05.

Included in general expense is $100,000 for education expense. 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 more money should be allocated to this account so employees can obtain training and attend seminars.

The equipment account will be used County-wide by the department to buy computers for new employees and replacement computers for existing employees. IT requested $400,000 in this account to ensure all employees who required computers would have one available. The department does not feel the proposed budget of $250,000 is sufficient to meet the computer demands of the County.

The utilities cost of $5.5 million represents the yearly telephone expense for County-wide agencies. Inter-departmental charges represent the allocated cost of building use, and the services provided by various departments.

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. A corresponding 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 indirect charges at a cost of $781,636, building occupancy charges of $324,297and another $68,998 for purchasing charges.

Office of Information Technology
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	88	94	123	104	16	10
Part-time and Seasonal Staffing	0	44	1	1	1	(43)

The department requested 123 full-time positions, of which only 104 were granted by the Administration. This represents an increase of 16 positions compared to the 2004 Budget and a ten employee increase from the September actual. New positions in the proposed budget include three Communication Operators, three Program Manager I's, two Accountant II and two Programmer Analysts. The department requested more senior level staff to assist in project management and administrative functions of the office.

In FY 05 the Information Technology budget will pay for three GIS employees, although the office's salaries will be charged to IT's budget the revenue and OTPS expenses generated by the department will be booked in the Planning department's budget.

The seasonal employees are typically younger staff members who handle mostly routine but time consuming tasks. Their tasks include installing software, preventing or removing computer viruses and tagging and auditing hardware components. The 43 seasonal positions which were utilized but unbudgeted this year were not funded in the proposed 2005 budget either. However, OLBR was assured by the department that seasonal positions will be eliminated in the near future.

REVENUE BUDGET								
Revenue Class		**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
BF	Rent and Recoveries	3,700,000	3,200,000	0	0	(3,700,000)	(3,200,000)
BH	Department Revenues	700,000	700,000	700,000	700,000	0	0
BI	Capital Backcharges	290,000	290,000	0	0	(290,000)	(290,000)
BJ	Inter-departmental Revenues	19,310,654	19,310,654	0	21,672,379	2,361,725	2,361,725
BW	Inter-fund Charges	0	0	0	637,618	637,618	637,618
SA	State Aid	0	604,412	0	0	0	(604,412)
	Grand Total	**24,000,654**	**24,105,066**	**700,000**	**23,009,997**	**(990,657)**	**(1,095,069)**

Inter-departmental revenues is reimbursement 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.

Audit findings revealed the County was being over-billed for telephone lines. Rents and recoveries budgeted for $3.7 million in 2004 represented the refund the County expected to receive. Since the FY 04 revenue was a one time refund there are no funds expected in FY 05.

Departmental revenues budget for $700,000 represents the charges to the correction center for reimbursement for inmate’s telephone calls. Inter-fund charges are charges to Nassau Community College for telecommunication and information technology expense. This revenue is budgeted at $637,618 in FY 05.

Out-Year Initiatives:

#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
SSIT01	eGovernment Revenues	0	750,000	2,250,000	4,850,000

The **eGovernment revenues** initiative is part of the focus by the Administration to modernize the County systems and utilize state-of-the art technology to maximize service delivery and better meet the needs of citizens, businesses and visitors. Currently the County has a contract to make a few services available on-line. The Administration has also improved its web site, making it more user friendly and more applicable for the eGovernment initiative. While it is certain eGovernment will enhance the way the County does business by making services more available, the revenue generated in the out years is difficult to quantify.

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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	417,747	350,259	425,694	358,194	(59,553)	7,935
BB	Equipment	20,000	10,000	20,250	8,750	(11,250)	(1,250)
CC	Materials & Equipment	11,000	6,000	11,138	10,138	(862)	4,138
DD	General Expenses	52,000	26,000	52,650	20,650	(31,350)	(5,350)
DE	Contractual Services	75,000	50,000	76,875	53,875	(21,125)	3,875
	Total OTPS	**158,000**	**92,000**	**160,913**	**93,413**	**(64,587)**	**1,413**
HF	Inter-Dept. Charges	47,349	47,349	0	80,311	32,962	32,962
	Grand Total	**623,096**	**489,608**	**586,607**	**531,918**	**(91,178)**	**42,310**

The FY 05 expenditure budget is decreasing by $91,178 or 15% from the FY 04 budget. In personal services, salaries are decreasing 14% from $417,747 in FY 04 to $358,194 in FY 05. The decrease is due to the cut in clerical part-time positions. The department request of $425,694 includes the cut in part-timers however, there is an additional position for a special investigator. The Executive budget does not include the increase in requested expenses. Since the department did not utilize the increase in funding provided in the FY 04 budget, the Administration decided to remove the additional expenses. Salary expenses for the FY 05 budget are close to the FY 04 projection of $350,259.

Other than personal services are decreasing by 41% or $64,587 to $93,413 in FY 05. The department's request included funding for OTPS expenses similar to the FY 04 budget, however, the Administration decided to cut back on this funding. Equipment is decreasing by more than half the budget to $8,750 and general expenses are decreasing by $31,350 despite the department's request of $52,650. Finally, contractual services are decreasing $21,125 to $53,875 in FY 05.

Expenses in the OTPS budget include costs for surveillance equipment, photo equipment, traveling expenses, advertising expenses, printing, etc. Expenses in contractual services have been budgeted to contract investigative work that cannot be handled in house. The department has yet to utilize any general expenses or contractual services for FY 04.

The FY 05 budget of $80,311 in inter-departmental charges includes costs incurred by other departments on behalf of the Department of Investigations. Corresponding revenue gets booked to the department providing service as an inter-departmental revenue (BJ). Such expenses incurred by the department include printing, postage, information technology, record management charges and purchasing.

Investigations Staffing Analysis	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time staffing	4	4	5	4	0	0
Part-time and Seasonal	8	0	2	2	(6)	2

Full-time staffing in FY 05 remains unchanged from FY 04 and from the current staffing level. Part-time staffing has been reduced from eight positions to two positions.

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 05 budget and baseline:

Audit Recoveries (SSAC01) - $500,000

The County faces a potential $4 million loss with every 1% error on billings for nearly $400 million in annual contracts. The department plans on generating revenue by achieving a 0.5% disallowance rate through expanding the focus and scope of the internal audit function, targeting large and high risk contracts and vendors, and identifying key benchmarks and ratios. The department plans to work with the Comptroller's Office. Until the department provides specific details for achieving the revenue, it is unclear how $500,000 will be generated.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BH	Department Revenues	0	0	500,000	500,000	500,000	500,000
	Grand Total	**0**	**0**	**500,000**	**500,000**	**500,000**	**500,000**

FY 05 is the first year the department has included revenue. For FY 05 $500,000 has been budgeted in department revenues due to the initiative for audit recoveries.

Out-year Initiatives

ID#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
SSAC01	Fraud Hotline	$0	$0	$500,000	$500,000

With nearly 12,000 full and part-time employees in all facets of government and thousands of outside contractors working in support of operations, the County faces a significant risk of fraud, theft, abuse and other actions detrimental to the economic and programmatic mission of the government. By all published accounts, the average US organization experiences a minimum loss of 3% due to such occurrences even after comprehensive prevention and detection policies are enacted. Until the system is in place it will be difficult to quantify actual savings.

LABOR RELATIONS

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

EXPENSE BUDGET
BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	286,000	317,251	317,164	317,164	31,164	(87)
BB	Equipment	10,100	5,000	0	0	(10,100)	(5,000)
CC	Materials & Supplies	8,000	4,000	4,000	4,000	(4,000)	0
DD	General Expenses	14,000	7,000	7,000	7,000	(7,000)	0
DE	Contractual Services	2,700	2,700	2,700	2,700	0	0
	Total OTPS	**34,800**	**18,700**	**13,700**	**13,700**	**(21,100)**	**(5,000)**
HF	Inter-Dept. Charges	62,386	62,386	0	191,217	128,831	128,831
	Grand Total	**383,186**	**398,337**	**330,864**	**522,081**	**138,895**	**123,744**

Salaries are decreasing from the FY 04 budget by $31,164 or 10.9% and remaining flat from the 2004 projected actual. There does not appear to be any budget for salary increases for 2005.

OTPS is budgeted at $13,700 in FY 05, which is a reduction from the FY 04 budget by $21,000 or 60.6% and from the FY 04 projected actual by $5,000 or 26.7%. Equipment has been removed from the 2005 budget. Materials and supplies and general expenses have been cut in half from the FY 04 budget and are remaining equal to the FY 04 projected actual. Actual OTPS expenses for 2003 equaled $2,604. This is to cover all office supplies, including computers, a fax machine, and a lease for a copier. General supplies also includes expense for training seminars, both for the Labor Relations' employees and for the cost of running seminars for other County employees.

Inter-departmental charges identify and allocate the costs incurred by other departments on behalf of Labor Relations. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Inter-departmental charges are budgeted at $191,217 in 2005, an increase of $128,831. This increase reflects the charge back ($78,182) for a Deputy County Attorney working for the Office and an increase in information technology charges of $54,064.

Labor Relations
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	4	4	4	4	0	0

The FY 05 budget includes 4 full-time positions which is equal to the FY 04 budget and reflects the September 2004 actual.

LEGISLATORS

The FY 05 proposed budget expense charts detailed below incorporate technical adjustments and thus are different from supporting schedules. The initial supporting schedules did not allocate inter-departmental charges to all control centers.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	4,229,515	4,431,947	5,386,192	5,327,431	1,097,916	895,484
BB	Equipment	15,150	15,150	38,200	33,200	18,050	18,050
CC	Materials & Supplies	1,000	1,000	1,000	1,000	0	0
DD	General Expenses	213,350	268,350	378,295	378,295	164,945	109,945
DE	Contractual Services	502,000	532,000	572,000	572,000	70,000	40,000
	Total OTPS	**731,500**	**816,500**	**989,495**	**984,495**	**252,995**	**167,995**
HF	Inter-Dept. Charges	1,898,213	1,898,213	0	1,901,781	3,568	3,568
	Grand Total	**6,859,228**	**7,146,660**	**6,375,687**	**8,213,707**	**1,354,479**	**1,067,047**

The above chart details the Legislative expense budget by object class. Inter-departmental charges have been separated out for comparison purposes. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Legislature. The total FY 05 budget is $8.2 million. The salary line is sufficient to cover the budgeted 96 full-time employees and five part-time and seasonal employees. The overall OTPS budget is increasing to pay for such things as updating the annual journal of legislative proceeding, modernizing out-dated equipment which pre-dates the Legislature and stenographer services.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance From Exec. Vs. Adopted 04	Variance From Exec. Vs. To Request
10	Legislators - Majority	2,406,272	2,130,617	2,801,608	395,336	670,991
15	Legislators - Minority	2,166,277	1,920,675	2,521,638	355,361	600,963
20	Legislative Central Staff	1,539,154	1,508,604	1,936,505	397,351	427,901
30	Legislative Budget Review	747,525	815,791	953,956	206,431	138,165
	Total	**6,859,228**	**6,375,687**	**8,213,707**	**1,354,479**	**1,838,020**

The chart above displays Legislative expenses by control center. The chart below shows Legislative headcount by control center. Budgeted full-time headcount for FY 05 is increasing from both the FY 04 level and the September 2004 actual. Legislative headcount is increasing to fund additional financial analysts for the Office of Legislative Budget Review and other needs that may occur throughout the Legislature. Budgeted part-time headcount is unchanged from the adopted FY 04 level. The September 2004 part-time and seasonal actual is inflated by the inclusion of seasonal summer interns still on the Legislative payroll as of September 1, 2004.

Legislature Staffing Analysis

		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC	**Full-time Staffing**						
10	Legislators - Majority	38	38	39	39	1	1
15	Legislators - Minority	32	28	35	35	3	7
20	Legislative Central Staff	9	9	12	11	2	2
30	Legislative Budget Review	8	8	12	11	3	3
Total Full-time		**87**	**83**	**98**	**96**	**9**	**13**
CC	**Part-time and Seasonal**						
10	Legislators - Majority	0	26	0	0	0	(26)
15	Legislators - Minority	1	1	1	1	0	0
20	Legislative Central Staff	4	6	4	4	0	(2)
30	Legislative Budget Review	0	0	0	0	0	0
Total Part-time and Seasonal		**5**	**33**	**5**	**5**	**0**	**(28)**

OFFICE OF MANAGEMENT & BUDGET

The Office of Management & Budget (OMB) expense budget is decreasing by 30.4%. Much of the decrease may be attributed to the reorganization of the County Executive's Office. The reorganization impacted OMB's headcount as well as its interdepartmental charges.

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 05 budget and baseline:

OTPS Freeze (BFBU02) - $419,247

Through this initiative, the County is projecting savings by limiting spending in equipment, materials and supplies and general expenses costs. The cost containment was initiated in FY 04. In FY 05 the goal is to limit increases in these expense categories to 1.25% annually. An analysis of the annual percentage changes recorded by the three OTPS categories from FY 04 to FY 05 reveals that this initiative is not being applied uniformly in the FY 05 departmental budgets. Overall OTPS funding in the five major funds is decreasing by 0.81%. An analysis of the three categories affected by this initiative shows that equipment spending in the five major funds is increasing by 28.3%, materials and supplies costs are increasing by 5.2% and general expenses costs are falling by 13.3%.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	3,412,577	3,399,271	2,777,708	2,470,683	(941,894)	(928,588)
BB	Equipment	36,850	18,425	37,311	37,311	461	18,886
DD	General Expenses	30,634	10,845	31,017	31,017	383	20,172
DE	Contractual Services	300,000	300,000	300,000	300,000	0	0
	Total OTPS	**367,484**	**329,270**	**368,328**	**368,328**	**844**	**39,058**
HF	Inter-Dept. Charges	873,622	873,622	0	399,348	(474,274)	(474,274)
	Grand Total	**4,653,683**	**4,602,163**	**3,146,036**	**3,238,359**	**(1,415,324)**	**(1,363,804)**

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 the Office of Management & Budget. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). OMB interdepartmental charges are decreasing 54.3% this year. The decline is primarily a result of the movement of the Operations personnel out of OMB and into the County Executive's Office. The County Executive's interdepartmental charges now reflect payments for these individuals who work in the County Executive's Office but are paid out of Police Headquarters payroll.

OMB's salary line is decreasing by 27.6% from the adopted FY 04 budget. As previously mentioned the drop is a result of the transfer of individual from the Budget Office to the County Executive's Office. OTPS charges for the Budget Office are relatively flat. The expense changes may also be viewed below in the expense control center chart. The OMB control center is responsible for developing the annual budget and Multi-Year Plan. The Vertical Administration control center consists of support staff who are responsible for managing the operations of the Administration's six verticals. The Fiscal Analysis control center includes County Stat, which is responsible for monitoring departmental performance and improving operations. The Vertical Administration control center is recording the largest decline since its headcount is being reduced as a result of the reorganization described above. The OMB control center is declining as a result of the decrease in interdepartmental charges.

**EXPENSE BUDGET
BY CONTROL CENTER**

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance From Exec. Vs. Adopted 04	Variance From Exec. Vs. To Request
10	OMB	2,263,456	1,487,062	1,886,410	(377,046)	399,348
20	Vertical Administration	1,381,500	553,053	246,028	(1,135,472)	(307,025)
30	Fiscal Analysis	1,008,727	1,105,921	1,105,921	97,194	0
	Total	**4,653,683**	**3,146,036**	**3,238,359**	**(1,415,324)**	**92,323**

The chart on the next page details the headcount for the Budget Department by control center. Full-time FY 05 budgeted headcount for OMB is decreasing from the budgeted FY 04 level. The reduction is a result of the transfer of OMB employees to the County Executive's Office. Additionally, headcount is falling from the September 2004 actual due to employee transfers to the Parks Department and the proposed Fleet Management Department. However, the proposed local law to create the Department of Fleet Management failed in committee, so the four positions budgeted for in the Fleet Management Department will have to remain in the Office of Management and Budget and OMB's salary line will have to be modified to fund the positions. In FY 04 the total salary for the four positions was $307,000. FY 05 budgeted part-time headcount is increasing by one. The proposed budget includes one Clerk Seasonal for the Fiscal Analysis control center. Also, the department currently has 12 part-time/seasonal employees. Most of these employees are summer interns and should be removed from the department's payroll shortly. Assuming these positions are removed from the payroll, the salary line should be sufficient to cover the new employees.

Office of Management and Budgets
Staffing Analysis

CC		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC	**Full-time Staffing**						
10	OMB	14	15	14	14	0	(1)
20	Vertical Administration	17	8	7	3	(14)	(5)
30	Fiscal Analysis	15	19	15	15	0	(4)
Total Full-Time		**46**	**42**	**36**	**32**	**(14)**	**(10)**
CC	**Part-time /Seasonal Staffing**						
10	OMB	0	4	0	0	0	(4)
20	Vertical Administration	0	7	0	0	0	(7)
30	Fiscal Analysis	0	1	1	1	1	0
Total Part-time/Seasonal		**0**	**12**	**1**	**1**	**1**	**(11)**

The below chart details budgeted revenues for OMB. The FY 05 OMB revenue budget is declining 100% from the adopted FY 04 level. The department had anticipated getting reimbursement for related salaries through Health and Human Services grants in FY 04. The department does not expect to collect these reimbursements in 2004 and are not budgeting for them in 2005.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
FA	Federal Aid	151,250	0	0	0	(151,250)	0
SA	State Aid	75,625	0	0	0	(75,625)	0
	Total	**226,875**	**0**	**0**	**0**	**(226,875)**	**0**

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.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	**Name**	**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
AA	Salaries	4,640,775	4,395,348	4,883,237	4,681,478	40,703	286,130
BB	Equipment	50,000	50,000	50,625	50,625	625	625
CC	Materials & Supplies	280,000	200,000	283,500	283,500	3,500	83,500
DD	General Expenses	72,000	56,000	72,900	72,900	900	16,900
DE	Contractual Services	200,000	200,000	205,000	205,000	5,000	5,000
	Total OTPS	**602,000**	**506,000**	**612,025**	**612,025**	**10,025**	**106,025**
HF	Inter-Depart Charges	516,332	516,332	0	1,046,012	529,680	529,680
	Grand Total	**5,759,107**	**5,417,680**	**5,495,262**	**6,339,515**	**580,408**	**921,835**

Salaries in 2005 are increasing by $40,703, or 0.9%, over salaries in the 2004 Adopted Budget but are going up by $286,130, or 6.5%, over 2004 projections. September headcount was down by three positions from the 52 that were budgeted in 2004 which accounts for the difference in salaries between the 2004 budget and 2004 projections. OTPS expense is increasing slightly, $10,000 or 1.7%, over the 2004 budget and approximately 21% over 2004 projections. Most of the increase vs. OMB's projection which comes in materials & supplies is due to OMB's estimating 2004 costs based on those expended in 2003. 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 for toxicology and over $1 million for the DNA Lab and applies for and receives these grants on an annual basis. However, the funding is insufficient to cover all materials and supplies so the General Fund expense varies slightly yearly based on the amount of the grants. Inter-departmental charges are increasing by $529,680 or 102%, due to increases in printing, purchasing and telecommunications charges. Also, building occupancy charges are going up $559,000 or almost 200%. Rent for the Medical Examiner space at the Medical Center is based on the appraisal dated January 24, 2000 ($13.00 and $6.00 per sq ft for the 50,740 and 3,616 sq ft spaces, respectively, for first lease year which ran from October 1, 1999 through September 30, 2000), as increased annually on October 1st of each year throughout the 20 year term pursuant to the CPI escalation provisions of the lease. In the past, funding for rent was insufficient so the increase in 2005 seems unrealistically high but it is actually consistent with the provisions of the lease.

Medical Examiner Staffing Analysis	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual.
Full-time Staffing	52	49	55	50	(2)	1
Part-time and Seasonal	0	4	4	4	4	0

The number of budgeted full-time positions will decrease by two from the 2004 budgeted positions but is actually increasing by one over September actuals. The new addition will be a Forensic Medical Photographer.

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 05 budget and baseline.

Fee Initiative (BFBU01) - $21,000

This is part of the County-wide initiative to increase fees by $3.8 million. This department will be increasing fees a total of $21,000. The proposed revenue budget will increase by $21,000, or 1.4%, over the 2004 adopted budget and projections. The additional $21,000 in departmental revenue will be generated by a 23% increase to existing fees for autopsy reports and new fees for nursing homes and funeral homes requesting “courtesy holds”. The charge would be $100 for the first day and $50 for every day thereafter. Prior to this, the Medical Examiner would provide this service for free. Another $5,000 is expected from the four Nassau hospitals that send their residents to the Medical Examiner for educational purposes. A $1,250 charge will be assessed each quarter for each of the four hospitals. Although the charges for courtesy holds and the charges to the hospital residents are new for 2005, the fees for autopsy reports, x-rays and photographs appear reasonable since they have not been adjusted since 1995. The Medical Examiner receives revenue from NY State for reimbursable expenses.State aid is remaining flat.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04Proj.
BH Department Revenues	15,000	15,000	15,000	36,000	21,000	21,000
SA State Aid - Reimbursable	1,495,908	1,495,908	1,495,908	1,495,908	0	0
Grand Total	**1,510,908**	**1,510,908**	**1,510,908**	**1,531,908**	**21,000**	**21,000**

It is interesting to note that the Administration had established a policy in 2004 whereby departments performing services for other departments would receive chargeback revenue from that department. The

Medical Examiner performs certain tests for the Police Department and Probation and receives no chargebacks for these services despite the fact that this is County policy.

DEPARTMENT OF MENTAL HEALTH

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

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance Exec. vs Adopted 04	Variance Exec. vs Request
10	Administration	3,623,962	3,258,493	3,948,547	324,585	690,054
20	Contractual Services	3,800,027	4,625,027	4,625,027	825,000	0
30	Direct Services	1,159,256	333,556	257,737	(901,519)	(75,819)
54	Educ. Handicap Child.	79,345,200	96,663,450	94,959,400	15,614,200	(1,704,050)
	Total	**87,928,445**	**104,880,526**	**103,790,711**	**15,862,266**	**(1,089,815)**

The proposed 2005 expense budget for the Department of Mental Health is approximately $15.9 million or 18% greater than the budget adopted in 2004. This dramatic rise is directly due to the increase in Education for Handicapped Children of $15.6 million which is offset somewhat by a reduction of $900,000 in Direct Services due to the elimination of a Clinical Psychologist II position and the transfer of funding for miscellaneous contractual services into the Contractual Services control center. The 19.7% increase in Education for Handicapped Children over the adopted 2004 budget reflects the growth in the amount of children in the program, increased transportation costs resulting from a new transportation contract and a hike in evaluations. The rise in the preschool special education will have a corresponding revenue growth for state aid reimbursement.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	1,260,481	1,157,212	1,230,757	1,291,278	30,797	134,066
CC	Materials & Supplies	5,500	2,750	5,569	5,569	69	2,819
DD	General Expenses	621,850	1,207,650	804,623	804,623	182,773	(403,027)
DE	Contractual Services	6,351,127	6,201,127	6,176,127	6,176,127	(175,000)	(25,000)
OO	Other Expenses	79,345,200	88,666,615	96,663,450	0	(79,345,200)	(88,666,615)
PP	Direct Assistance	0	0	0	94,959,400	94,959,400	94,959,400
	Total OTPS	**86,323,677**	**96,078,142**	**103,649,769**	**101,945,719**	**15,622,042**	**5,867,577**
HF	Inter-Depart Charges	344,287	377,206	0	553,714	209,427	176,508
	Grand Total	**87,928,445**	**97,612,560**	**104,880,526**	**103,790,711**	**15,862,266**	**6,178,151**

Salaries are increasing by $134,066, or 11.6%, over 2004 OMB projections due to an increase of two positions over current staff. OTPS expenses are increasing $5.9 million, or 6.1%, over 2004 projections primarily due to the greater than usual growth in Direct Assistance, a new object code which encompasses expenses previously placed in the Other Expenses object code. The bulk of the increase in OTPS can be attributed to the $6.2 million, or 7.1% raise, over 2004 projections in Early Intervention/Special Education. More children with greater needs are entering the preschool program. Therefore, Itinerant Services are increasing because more children with greater needs then in the past require after school services and transportation costs are rising as a result of new and higher rates for transportation contracts. These mandated costs have a proportionate revenue growth in State aid reimbursement.

The general expenses line is increasing by $182,773 and the contractual services line is declining by $175,000 when compared to the 2004 adopted budget. However, both lines are being reduced when comparing the proposed budget to projections for 2004. The projection in the general expense line is high due to the Health and Human Services scanning project that is currently ongoing. The reduction in the contractual services line is due to the on-site psychologist who provides immediate evaluations for clients thereby diverting costly hospitalizations. There are a larger number of clients, as a result of the recent PINS legislation expanding the age for PINS clients, that are being remanded to State facilities. This is more expensive, since the remands to State facilities require more lengthy stays, than the remands of those clients being sent to NUMC, which is less expensive. While it has been advantageous having a clinical psychologist on site at Family Court for immediate evaluations, thereby diverting hospitalizations, the number of PINS clients has grown.

Department of Mental Health
Staffing Analysis

CC	Full-time Staffing	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actuals
10	Administration	18	18	17	19	1	1
30	Direct Services	2	0	2	1	(1)	1
	Total Full-time	**20**	**18**	**19**	**20**	**0**	2

The above chart illustrates that full-time headcount is increasing by two when compared to September actuals. Administration is gaining one Accounting Assistant II and one Clerk Typist I will be added in Direct Services when compared to September actuals. A total of three employees from the Drug & Alcohol Department were transferred into Mental Health, all holding accounting titles. One is the aforementioned Accounting Assistant II and the other two transfers filled two vacant positions in Mental Health.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BF Rents and Recoveries	100,000	100,000	50,000	50,000	(50,000)	(50,000)
BH Department Revenues	1,076,000	1,076,000	1,827,840	1,827,840	751,840	751,840
BJ Interdepart Revenues	0	1,374,000	0	1,373,915	1,373,915	(85)
SA State Aid - Reimb. Exp.	48,684,810	53,254,687	56,149,595	55,220,646	6,535,836	1,965,959
Total	**49,860,810**	**55,804,687**	**58,027,435**	**58,472,401**	**8,611,591**	**2,667,714**

The 2005 revenue budget is growing by $2.7 million, or 4.8%, over the 2004 projection of $55.8 million. Approximately $2 million is due to the increase in State aid reimbursement for the growing State mandated preschool education program. Interdepartmental revenues are increasing by $1.4 million over the budget line in the Adopted 2004 budget but is remaining essentially flat when compared to the 2004 projections. It was inadvertently omitted from the 2004 Adopted Budget. In the 2005 proposed budget, this revenue can be found in two different control centers. The first, in Contractual Services for $173,000, is from Social Services for the services Mental Health provides for PINS prevention. The second and largest amount, approximately $1.2 million, can be found in Education for Handicapped Children and is received from the Health Department for transportation costs for the Early Intervention children who use the same buses that are provided for the Preschool Education children.

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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries, Wages & Fees	428,598	485,865	600,576	558,797	130,199	72,932
CC	Materials & Supplies	3,000	1,500	3,038	3,038	38	1,538
DD	General Expenses	36,000	18,000	36,450	36,450	450	18,450
DE	Contractual Services	0	0	110,000	0	0	0
	Total OTPS	**39,000**	**19,500**	**149,488**	**39,488**	**488**	**19,988**
							0
HF	Inter-Depart Charges	68,111	68,111	0	182,331	114,220	114,220
	Grand Total	**535,709**	**573,476**	**750,064**	**780,616**	**244,907**	**207,140**

The FY 05 salaries account of the department is increasing by $130,199. The salaries budget was increased to reflect the addition of two full-time staff members. The budget includes $67,000 of termination pay next year for the 3rd and final payment owed to employees who left at the beginning of 2002.

The general expense account will be allocated $36,450. These funds will be used by the department to host small business seminars to promote minority interest in owning small businesses. In the contractual services account the department requested, but did not receive $110,000 for software. It is unclear if these funds are budgeted somewhere else in the budget. The request is 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 Women and Minority Small Business program, pursuant to Local Law 14 of 2002.

Inter-departmental charges, identify and allocate the costs incurred by other departments on behalf of the Office of Minority Affairs. A corresponding 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 information technology ($66,439), GIS charges of $45,719 and another

$33,903 for printing, graphics and mail. The increase of 168% for interdepartmental charges in the proposed budget is largely due to information technology charges, telecommunication charges and GIS charges which more than tripled compared to last year's allocation of $26,855 and $12,862 respectfully. New inter-departmental charges for the department in the proposed budget include building occupancy charges of $21,731.

Office of Minority Affairs
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	6	6	9	8	2	2
Part-time and Seasonal	3	0	0	0	(3)	0

The staffing level next year will increase by 2 full-time positions. One full-time position being added is for an Assistant Director, the other position represents a seasonal clerk typist who will now work full-time. The department requested one position which they feel is crucial to the department's future operations which was not granted by the Administration. The position is an Equal Opportunity Employment (EEO) Analyst whose tasks would include developing and maintaining department data systems, programs and processes required for government and internal EEO/Affirmative Action (AA) reporting. The Analyst's tasks would also include assisting in training and orientation workshops and preparing materials for representatives of the County who are responsible for compliance. Additionally, this position would assist the EEO/AA Director in gathering data to analyze the demographic composition of the workforce, compare statistics with area labor markets, population, etc., identify occupational areas in need of affirmative action, and make recommendations in recruitment and promotional goals.

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

The FY 05 Miscellaneous revenue and expense budgets are increasing from their FY 04 levels. The increases are a result of new accounting methodologies as well as increased funding for flexible benefit accounts and Local Government Assistance.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance From Exec. Vs. Adopted 04	Variance From Exec. Vs. To Request
20	Contractual Agencies	10,023,230	9,296,180	9,133,067	(890,163)	(163,113)
40	Resident Tuition	3,171,000	5,928,933	5,928,933	2,757,933	0
60	Other	864,323	902,424	902,424	38,101	0
70	Misc Fringe Benefits	769,812	950,000	950,000	180,188	0
80	Local Government Assist.	53,647,179	56,610,825	57,631,662	3,984,483	1,020,837
91	Nassau Health Care Corp	40,276,893	38,074,507	38,074,507	(2,202,386)	0
92	NCIFA Expenditures	2,000,000	2,000,000	2,000,000	0	0
	Total	**110,752,437**	**113,762,869**	**114,620,593**	**3,868,156**	**857,724**

The total FY 05 Miscellaneous expense budget is increasing by 3.5% from FY 04. The largest percentage increase is in the Resident Tuition control center. The Local Government Assistance control center is recording the greatest increase in dollars. An itemization and discussion of these and all the other control centers follows.

The Contractual Agencies control center consists of agencies for which the County provides a subsidy, in order to offset costs to the general public. In FY 05 the funding in this control center is decreasing by 8.9% from the adopted FY 04 level. The decrease is the net result of the decrease in the Public Defenders line, the increase in the Legal Aid line and the elimination of the other payments line. In FY 05 the County will pay roughly $8.7 million to both the Public Defender's Office and the Legal Aid Society to provide indigent defense. That is up from $8.6 million in FY 04. Last year's mandated salary increase to Public Defenders makes them costly relative to Legal Aid lawyers. The administrative judge worked out an agreement with the County which provides for the creation of two new sections in the Legal Aid Society. The new Legal Aid sections will enable the County to allocate more indigent defense cases to the less costly Legal Aid Lawyers. Since the allocation of indigent defense cases was uncertain during the last budget season, $1 million was put into the other payments line to cover any indigent defense cost overruns. Now that the administrative judge has ruled, the other payments line is unnecessary.

The Resident Tuition control center is where the County budgets for its obligation to pay the cost of tuition for Nassau residents who attend New York State community colleges outside of Nassau County. Funding of this control center is increasing by 87% from the adopted FY 04 budget. The FY 04 budget was optimistic since the budgeted FY 04 expense was the net of County expenses minus the projected reimbursements. The County had intended to obtain reimbursement from the town or city where the resident lives. In FY 04 the County has not received any resident tuition reimbursement from the three Nassau County towns or two cities. In FY 05, the entire expense is being budgeted for and a new, revenue offset to expense line is being added as revenue to show any resident tuition reimbursements that the County receives. Based on this, the FY 05 proposed resident tuition revenue budget seems optimistic. It is unknown if any County towns or cities have included this reimbursement in their budgets or plan to make the payment. Moreover, the County can only charge back the local County towns or cities for expenses incurred at other Community Colleges, it can not charge back payments made to the Fashion Institute of Technology (FIT). Thus, 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. This implies that the FY 05 proposed revenue budget should be 34% of the proposed expense budget. However, the proposed FY 05 revenue budget is 46.5% of the proposed expense budget. These percentages could vary over time with enrollment changes.

OLBR is projecting FY 04 resident tuition expenses to be $5.8 million. The FY 05 proposed resident tuition expense budget is increasing 3% from OLBR's FY 04 projection. The budgeted 3% increase seems low. Recent tuition increases at other community colleges are contributing to the County's higher resident tuition expenses.

The Other control center is increasing by 4.4% from the adopted FY 04 budget. Expenses in this category are increasing as a result of health insurance portability and accountability (HIPAA) compliance expenses and membership dues for the New York State County Executives' Association.

The Miscellaneous Fringe Benefits control center is where charges to the Flex Benefit Program and offsetting revenue are booked. Funding in FY 05 is increasing by $200,000 as a result of increased enrollment. According to the County's current flex benefits administrator, there are 407 County employees currently enrolled in the program. This represents a 44.3% increase in enrollment from this time last year. Additionally, it represents 4.0% of the County's September 2004 total full-time workforce.

The Local Government Assistance Program control center is where the County accounts for its assistance to the three towns and two cities for their share of County sales tax revenue. Of the County's 4.25% sales tax, the towns and cities receive one quarter of one percent. The chart below shows the FY 04 projections and FY 05 budgets for assistance to the Nassau County towns, cities and villages.

Local Government Assistance Program	2004 Projection	2005 Proposed	2005 Proposed vs. 2004 Projection
Town of Hempstead	31,071,765	32,081,257	1,009,492
Town of Oyster Bay	12,505,835	12,912,138	406,303
Town of North Hempstead	9,035,052	9,328,592	293,540
City of Long Beach	1,432,387	1,478,924	46,537
City of Glen Cove	1,046,743	1,080,751	34,008
Incorporated Villages	500,000	750,000	250,000
Total	**55,591,781**	**57,631,662**	**2,039,881**

The increase in the allotment to the villages is growing from $500,000 in FY 04 to $750,000 in FY 05. The large increase in the allotment to the villages reflects a policy change. The towns and cities are budgeted to receive an increase to correspond with the anticipated increase in County sales tax collections. See the Executive Summary for a detailed discussion of County sales tax.

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 is decreasing 5.5% from its FY 04 level as a result of the elimination of longevity pay from the other expense category. The stabilization agreement modified the transfer agreement with regards to longevity payments. Effective January 1, 2004, the County is not responsible for making longevity payments to the Health Care Corporation.

The Nassau County Interim Finance Authority (NIFA) Expenditures control center is used to budget for all NIFA expenses. In FY 05 NIFA expenditures are estimated to be $2 million. This line is unchanged from the adopted FY 04 level. 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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	19,812	19,740	4,351,653	4,351,653	4,331,841	4,331,913
AB	Fringe	750,000	750,000	21,672,854	21,672,854	20,922,854	20,922,854
	Total PS	**769,812**	**769,740**	**26,024,507**	**26,024,507**	**25,254,695**	**25,254,767**
GA	Local Government Assistance	53,647,179	55,591,781	56,610,825	57,631,662	3,984,483	2,039,881
OO	Other Expenses	56,335,446	13,544,653	31,127,537	30,964,424	(25,371,022)	17,419,771
	Total OTPS	**109,982,625**	**69,136,434**	**87,738,362**	**88,596,086**	**(21,386,539)**	**19,459,652**
	Grand Total	**110,752,437**	**69,906,174**	**113,762,869**	**114,620,593**	**3,868,156**	**44,714,419**

The above chart details the Miscellaneous expense budget by object class. The proposed FY 05 budget modifies the way in which the other expenses are accounted for. In FY 04 terminal leave payments were recorded in the other expenses line. In FY 05 these payments are being accounted for in the salaries line. Additionally, in FY 04 Social Security contributions, Medicare reimbursements and health insurance for retirees were recorded in the other expenses line. In FY 05 these charges are incorporated in the fringe line. The total FY 04 expense budget is increasing by 3.5%. As described previously miscellaneous expenses are rising due to increased local government assistance payments, increased enrollment in the County's flexible spending program, and the budgeting of resident tuition payments.

REVENUE BUDGET BY REVENUE CLASS

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BF	Non-Tax Sources	23,600,000	23,600,000	18,000,000	23,000,000	(600,000)	(600,000)
BG	Revenue Offset To Expense	750,000	750,000	3,707,933	3,707,933	2,957,933	2,957,933
FA	Federal Aid - Reimb. Exp.	210,000	210,000	210,000	210,000	0	0
SA	State Aid - Reimb. Expense	583,000	583,000	583,000	583,000	0	0
	Total	**25,143,000**	**25,143,000**	**22,500,933**	**27,500,933**	**2,357,933**	**2,357,933**

The FY 05 revenue budget for the Miscellaneous section is increasing 9.4% from FY 04. The increase is primarily a function of the budgeted resident tuition reimbursements from the three Nassau County towns and two cities. Also, contributing to the increase is greater enrollment in the FLEX benefits program which is offset with a corresponding expense. The FLEX benefits program ($950,000) is shown in the revenue offset to expense category as is the resident tuition reimbursements. The largest miscellaneous revenue in FY 05 is the $23.0 million in tobacco funds from the Local Development Corporation (LDC). These monies are shown in the non-tax sources lines. According to the Executive Summary of the Proposed 2005 Budget, in FY 04 $14 million of the tobacco proceeds will be used to pre-pay the final non-recurring 2005 County liability for Family Health Plus. As of September 2004, there is roughly $60.4 million available from the LDC in tobacco funds. The $210,000 in federal reimbursements is money that the Federal Government pays the County as reimbursement for criminal justice programs. The state aid – reimbursable expense category is unchanged from FY 04. The revenue is for State reimbursable legal aid programs.

NASSAU COMMUNITY COLLEGE

The Legislature has adopted a Nassau Community College FY 2004-05 operating budget of $162,458,848. This represents an increase of $4.4 million, or 2.8%, over the current year's adopted budget. Compared to the projected revenues that will be collected this year, the increase is $7.2 million, or 4.7%. This budget is identical to the one that was unanimously approved on May 11 by the College's Board of Trustees.

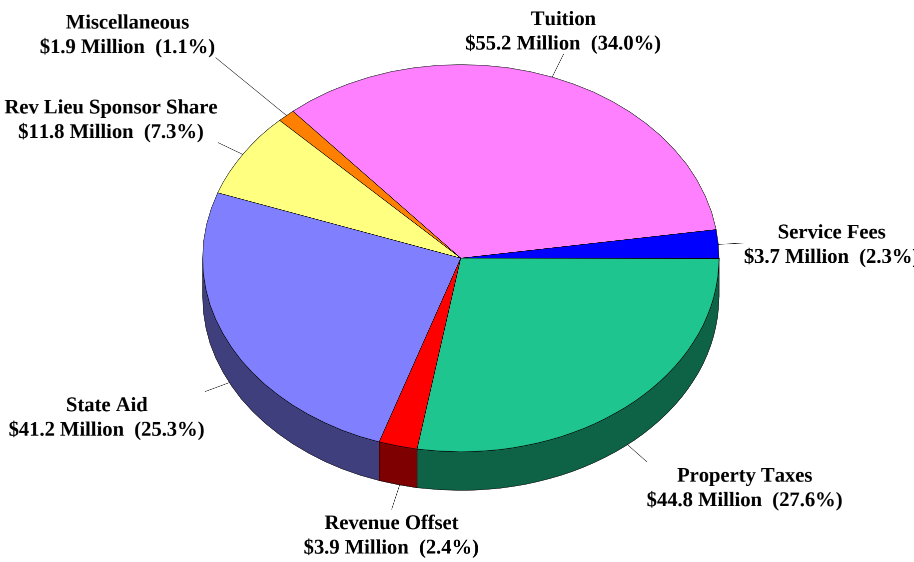
Revenue Source	Adopted FY 2003 - 2004	Adopted FY 2004 - 2005	Adopted '04 vs Adopted '03	% Change	Projected FY 2003 - 2004	Adopted '04 vs Projected	% Change
Tuition	$52,157,451	$55,203,309	$3,045,858	5.8%	$50,444,403	$4,758,906	9.4%
Property Taxes	$43,117,148	$44,798,717	$1,681,569	3.9%	$43,117,148	$1,681,569	3.9%
State Aid	$41,496,000	$41,181,500	($314,500)	-0.8%	$41,761,100	($579,600)	-1.4%
Rev. Lieu Spons. Share	$12,842,113	$11,798,322	($1,043,791)	-8.1%	$11,355,459	$442,863	3.9%
Rev. Offset To Expense	$3,800,000	$3,900,000	$100,000	2.6%	$3,800,000	$100,000	2.6%
Service Fees	$2,870,000	$3,705,000	$835,000	29.1%	$2,870,000	$835,000	29.1%
Other	$1,372,000	$1,372,000	$0	0.0%	$1,562,000	($190,000)	-12.2%
Investment Income	$400,000	$500,000	$100,000	25.0%	$300,000	$200,000	66.7%
Total Revenues	**$158,054,712**	**$162,458,848**	**$4,404,136**	**2.8%**	**$155,210,110**	**$7,248,738**	**4.7%**

The largest revenue source for the College is tuition, which, based on projected enrollment, is expected to raise $55.2 million. The other major sources of revenue are property taxes ($44.8 million), state aid ($41.2 million), and revenue lieu sponsor share ($11.8 million).

Revenue Sources

Adopted FY 2004 - 05 Budget

($162.5 Million)

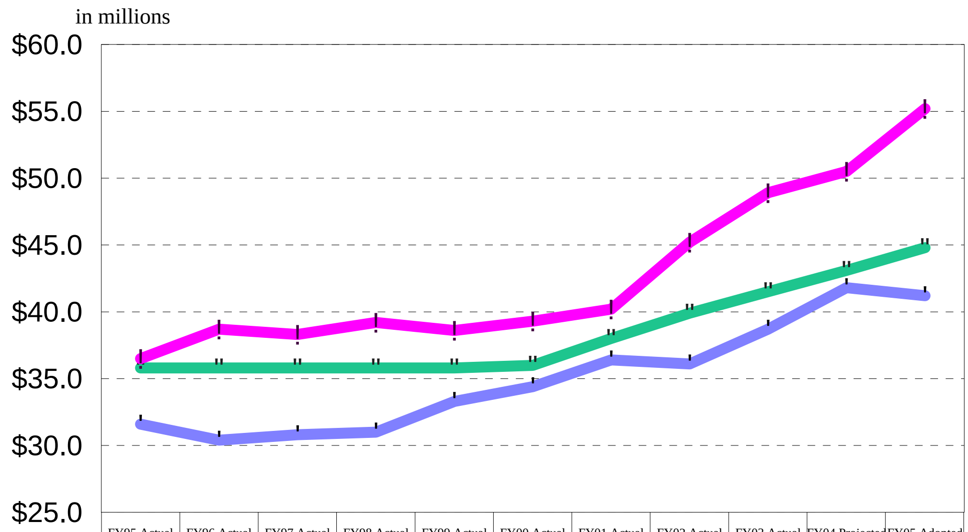


The remaining $9.5 million consists of revenue offset to expenses ($3.9 million), service fees ($3.7 million), and miscellaneous, made up of other ($1.4 million), and investment income ($0.5 million).

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

Tuition, County Share, and State Aid

1995 - 2005



	FY95 Actual	FY96 Actual	FY97 Actual	FY98 Actual	FY99 Actual	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Projected	FY05 Adopted
Tuition	$36.5	$38.7	$38.3	$39.2	$38.6	$39.3	$40.2	$45.2	$48.9	$50.5	$55.2
County Share	$35.8	$35.8	$35.8	$35.8	$35.8	$36.0	$38.0	$39.9	$41.5	$43.1	$44.8
State Aid	$31.6	$30.4	$30.8	$31.0	$33.3	$34.4	$36.4	$36.1	$38.7	$41.8	$41.2

From the FY 1995 actuals to the 2005 adopted amounts, tuition receipts will have risen 51.2%, state aid 30.4%, and County share 25.1%. This represents an increase of $37.8 million dollars, of which tuition accounts for $19.2 million, state aid $9.6 million, and County share $9.0 million.

Tuition ($55,203,309)

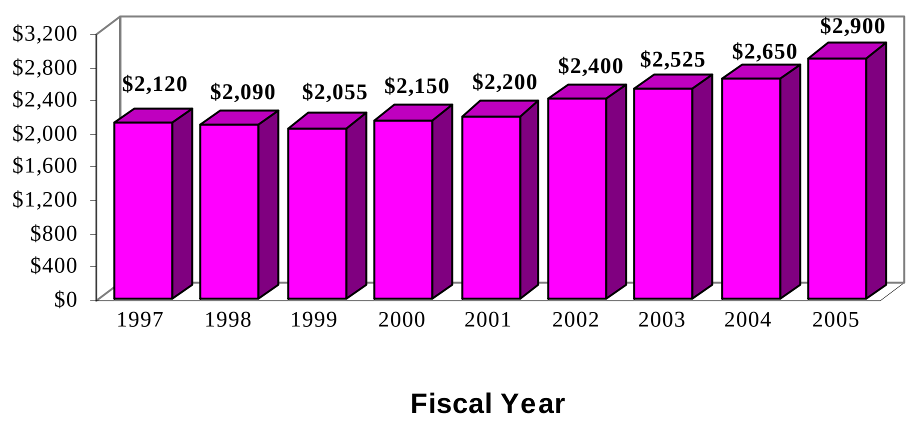
Tuition is the largest revenue source of the College. The FY 2004-05 tuition revenue budget is $3.0 million, or 5.8%, more than the FY 2003-04 budget. Due to enrollment that was approximately 2% less than anticipated, the current year's tuition is projected to come in $1.7 million under budget. The adopted budget would then represent an increase of $4.8 million or 9.4% over the estimated FY 2003-04 actuals. The additional revenue is expected to be generated as a result of a $250 tuition increase, from $2,650 to $2,900 per year, on top of flat enrollment. Every 1% change in enrollment would be worth approximately $552,000 in tuition.

The following is a statistical snapshot of the student body during the Fall 2003 semester:[1]

- 20,984 students were enrolled in 30 academic departments. 62% were full-time students and 73% attended day classes.
- 81.3% of the students were from Nassau County, 11.4% came from Queens, and 5.9% were from Suffolk County. The remaining 1.4% came from elsewhere in New York State or from out of state.
- Excluding those of unknown origin, 43.4% of the students were members of ethnic minorities: 19.7% Black, 12.6% Hispanic, 5.6% Asian, 5.2% non-resident alien, and 0.3% American Indian.
- About 65% of Nassau's graduates continue their education at a four-year institution.
- Approximately 20% of the graduates from Nassau County high schools attend Nassau Community College

Demographic factors point towards the College having the opportunity to draw upon a growing population of potential students. The latest projections of New York State high school graduates by the New York State Education Department show an increase until 2009. Full-time undergraduate enrollments will continue to increase, however, until 2012, due to a short lag time as high school graduates feed into college ranks. Institutions drawing their full-time undergraduates substantially from three downstate regions (Mid-Hudson, Long Island, and New York City) are expected to experience the fastest growth in full-time undergraduate enrollment.[2]

Tuition Rates
1998 - 2005



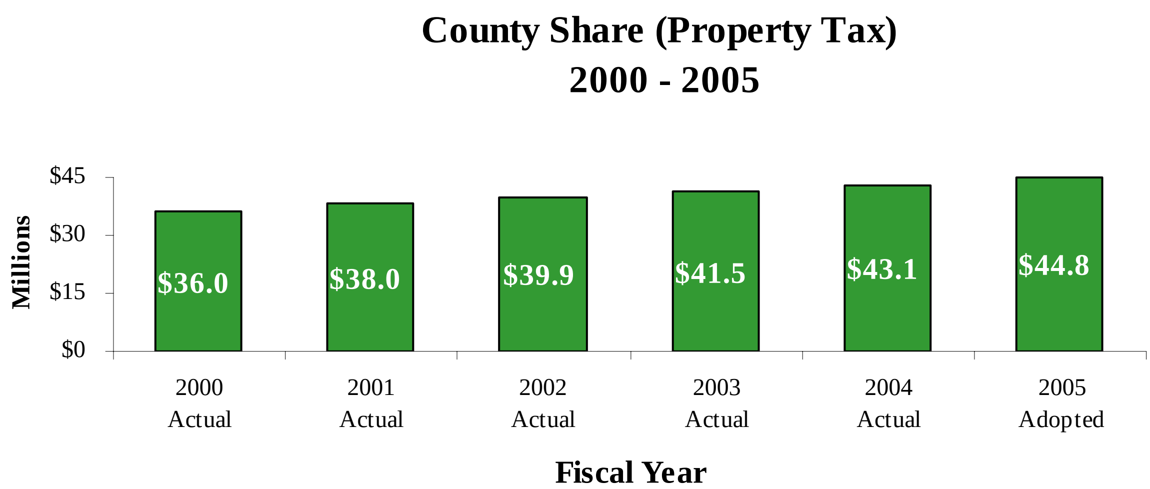
Tuition, after slight reductions in fiscal years 1998 and 1999, has steadily risen since then. The rate for FY 2004-05 is a 9.4% increase over the current year, and brings the average annual increase since 1999 to 5.9%.

[1] Data provided by Nassau Community College Office of Institutional Research
[2] New York State Education Department Office of Higher Education, Office of Research and Information Systems, "New York State College and University Enrollment Projections 2003 – 2013"

The average full-time resident tuition at the state's 30 community colleges for the 2004 – 2005 academic year is $2,816 ranging from a low of $2,450 (Schenectady) to a high of $3,064 (Corning). Nine of the community colleges charge a higher tuition than Nassau, fifteen charge less. Suffolk's tuition has been increased by $290, to $2,890.

Property Taxes ($44,798,717)

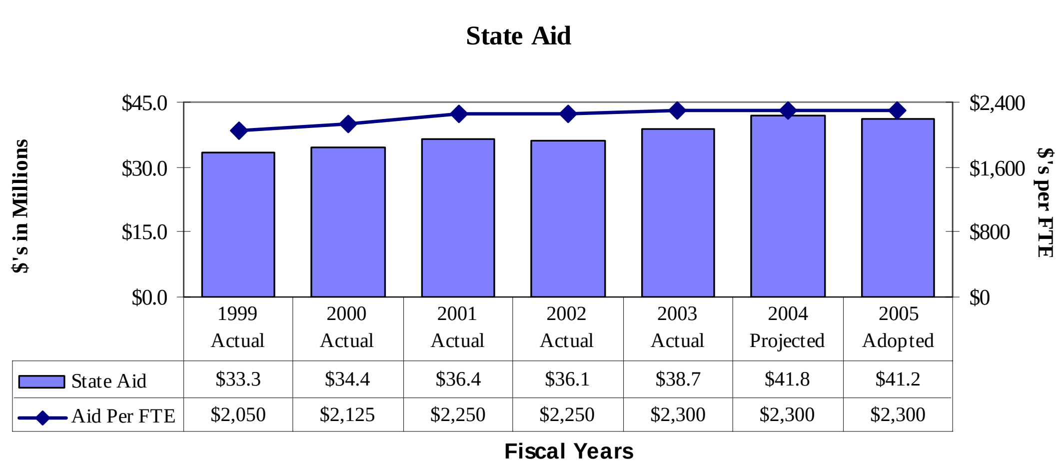
County share, after remaining constant at $35.8 million from FY 95 through FY 99 has increased approximately 25.1% since then. County share is made up of a dedicated property tax levy.



The 3.9% property tax increase of $1.7 million in the adopted budget will cost the average Nassau homeowner an additional $5.08, for a total contribution to the College of $85.30. The statewide average of County share ("Sponsor's Contribution") as a percentage of operating revenues in FY 2002-2003 was 21.8%. Nassau County's share, in the adopted budget, is 27.6%.

State Aid ($41,181,500)

State aid is received for each full-time equivalent student (FTE's), based on the prior year's enrollment. An FTE is equal to 30 credits annually. In FY 2003-2004, the State provided $2,300 per FTE. The

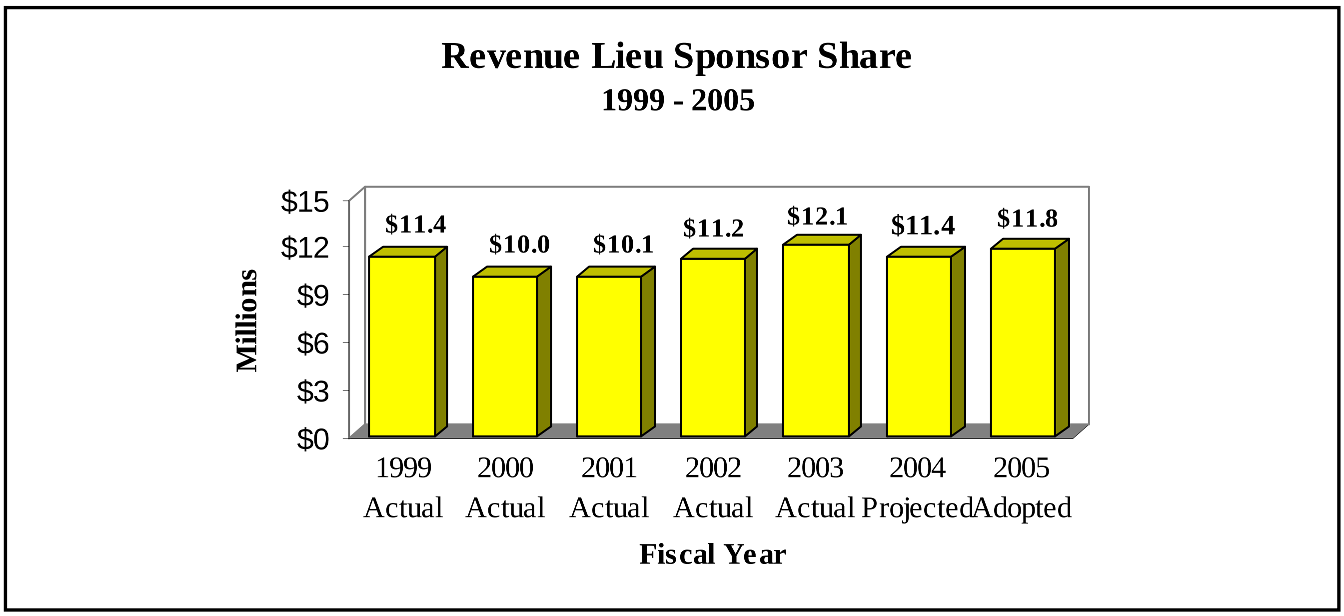


Governor adopted a cut of $115 per FTE to this rate. Based on information that had been received from SUNY, the College anticipated that the State Legislature would restore the cut, and consequently budgeted State Aid to continue at the same level (the College budget was adopted prior to the adoption of the State budget). The State Legislature not only attempted to undo the adopted cut, but they actually increased the aid by $50 per FTE. The Governor then vetoed the $115 restoration, resulting in a net $65 decrease to the rate. As of this writing, the veto has not been over-ridden. The amount at risk in the College's budget is approximately $1.2 million. It is expected that this deficit can be made up through a fall enrollment that has been larger than anticipated.

After enrollment growth of nearly 3.5% in FY 2002-2003, the current year has seen a drop of 2% in the fall semester, 1% in the spring, and 4% for the summer. Since State Aid is determined by the prior year's enrollment, this decline is reflected in the adopted budget.

Revenue Lieu Sponsor Share - Charges Other Counties ($9,970,822) and Non-Residents ($1,827,500)

The College is entitled by State regulations to a chargeback payment from the home county of residence for each non-Nassau resident with a certificate of residence attending Nassau Community College. The amount charged is based upon County expenditure for Nassau residents attending the College. The revenue from chargeback payments had been increasing due to the growing enrollment of non-Nassau residents coupled with recent increases in the chargeback rate. During the most recent fall semester there were 1,515 full-time and 881 part-time students who were residents of Queens, a drop of approximately 2.0% from the previous fall. The numbers for Suffolk were 910 full-time and 333 part-time students, a decrease of 5.4%.



The current chargeback rate is $2,930 per non-resident FTE. Assuming an increase comparable to the 3.9% increase in the County share (property tax) brings the FY 2004 – 05 rate to $3,044.

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 adopted budget is $1,827,500.

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

This revenue source consists of commissions, contract education for various subjects and special course fees that are charged to pay for the cost associated with some courses and programs. The College projects a budgetary increase of $100,000 or 2.6% in FY 2004-05. The bulk of this revenue is generated from enrollment in classes given in adult education, corporate training, and English as a second language. Continued growth in this area is limited by a shortage of available classroom space.

Service Fees ($3,705,000)

The budget for service fees is increasing by 29.1%, or $835,000. The majority of income for service fees comes from student lab and technology fees, late registration and application fees, and transcript fees. The following fee increases, contributing to a budgetary increase of $775,000, will be in effect for the 2004-2005 academic year:

	2004 Fee Amount	2004 Budget	2005 Fee Amount	2005 Budget	% Growth in Fee	% Growth Budget
Technology Fee	$25.00	$890,000	$40.00	$1,450,000	60.0%	62.9%
Application Fee	$20.00	$290,000	$30.00	$440,000	50.0%	51.7%
Transcript Fee	$3.00	$127,000	$5.00	$192,000	66.7%	51.2%
Totals		$1,307,000		$2,082,000		

Other ($1,372,000)

The majority of this category, $1.1 million, is an accounting entry for recovery of a prior year appropriation. 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)

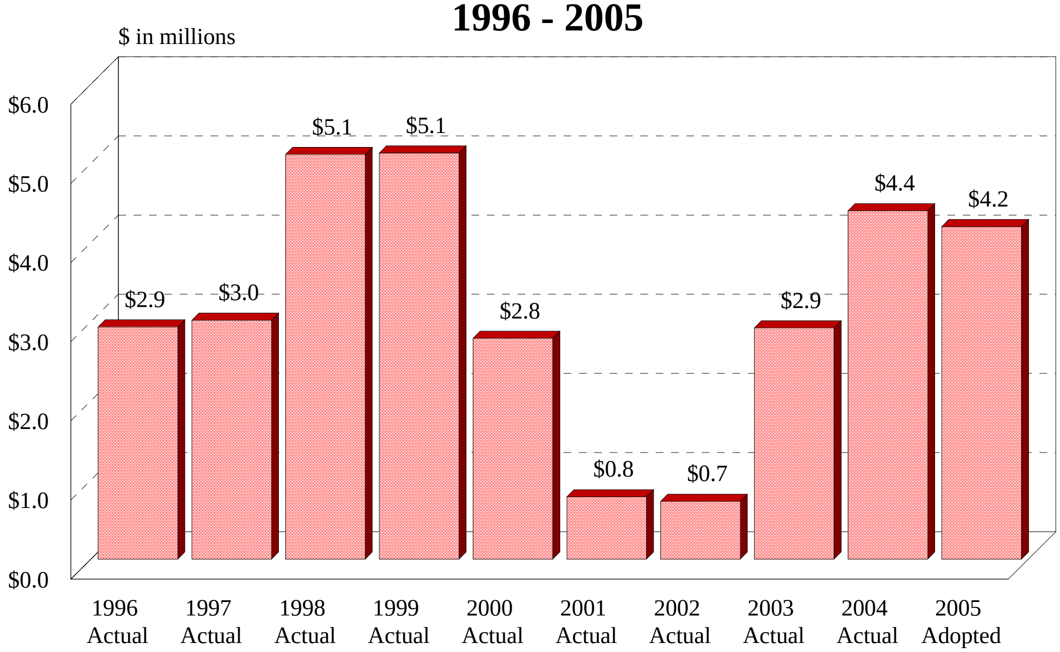
The County Treasurer manages investment activity for the College. The amount credited to the College is a function of the interest rate and allocation by the County Treasurer. This revenue is projected to come in at $161,000 for the current year. Although interest rates may be expected to be higher in the near future, it is not clear why the budget has been increased to $500,000.

Fund Balance ($0)

The revenue source, fund balance, represents the anticipated use of surplus from the current year's budget. Although budgeted at $0 in the adopted budget, the College expects to end the current fiscal year with a fund balance of approximately $4.2 million. That means that the FY 2003-04 operating budget will generate a deficit of $0.2 million which will be subtracted from the existing $4.4 million fund balance. At this level, the fund balance is below the generally recommended amount of 5% of the operating budget.

The College has traditionally used its fund balance to help pay for operations while maintaining or decreasing the tuition rate and County contribution. More recently, in order to prevent future structural deficits, any surplus funds will be held in reserve to pay for one-time expenses or fund emergencies. In the event that the risks in the adopted budget do materialize, such as the threatened cut in State aid, and the College's contingency plan is unable to fully make up for any losses, the fund balance will have to be utilized. This kind of relief is only temporary, however, and can result in a structurally imbalanced budget.

Beginning Fund Balance
1996 - 2005

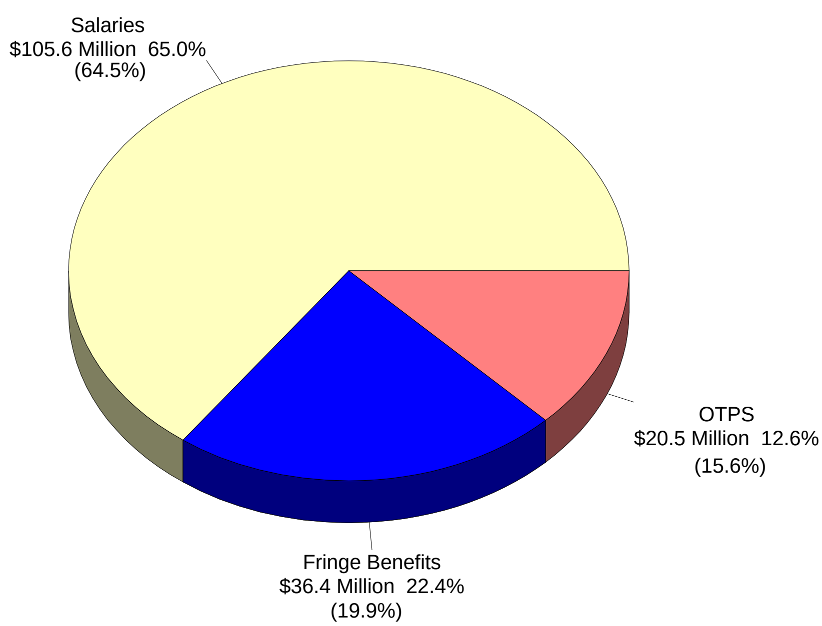


EXPENSE BUDGET

The adopted expense budget for Nassau Community College (NCC) for the fiscal year September 1, 2004 through August 31, 2005, totals $162.5 million, an increase of $4.4 million, or 2.8%, over the current year's appropriation and an increase of $7.2 million, or 4.7% over the current year's projection.

Personal Services	Adopted FY 2003 - 2004	Adopted FY 2004 - 2005	Adopted 05 vs. Adopted '04	% Change	Projected FY 2003 - 2004	Adopted vs. Projected	% Change
Salaries, Wages & Fees	$101,511,692	$105,594,832	$4,083,140	4.0%	$101,573,935	$4,020,897	4.0%
Employee Fringe Benefits	33,934,000	36,420,823	2,486,823	7.3%	32,600,000	3,820,823	11.7%
Subtotal	$135,445,692	$142,015,655	$6,569,963	4.9%	$134,173,935	$7,841,720	5.8%
OTPS							
Equipment	$2,103,055	$2,000,000	($103,055)	-4.9%	$1,864,271	$135,729	7.3%
Materials & Supplies	1,561,700	1,500,000	(61,700)	-4.0%	1,550,000	(50,000)	-3.2%
General Expenses	4,423,358	4,441,000	17,642	0.4%	4,302,772	138,228	3.2%
Contractual Services	8,048,587	5,747,740	(2,300,847)	-28.6%	6,801,812	(1,054,072)	-15.5%
Utility Costs	949,320	1,015,133	65,813	6.9%	994,320	20,813	2.1%
Interfund Charges	5,408,000	5,624,320	216,320	4.0%	5,408,000	216,320	4.0%
Other Expenses	115,000	115,000	0	0.0%	115,000	0	0.0%
Subtotal	$22,609,020	$20,443,193	($2,165,827)	-9.58%	$21,036,175	($592,982)	-2.82%
Total Expenses	**$158,054,712**	**$162,458,848**	**$4,404,136**	**2.8%**	**$155,210,110**	**$7,248,738**	**4.7%**

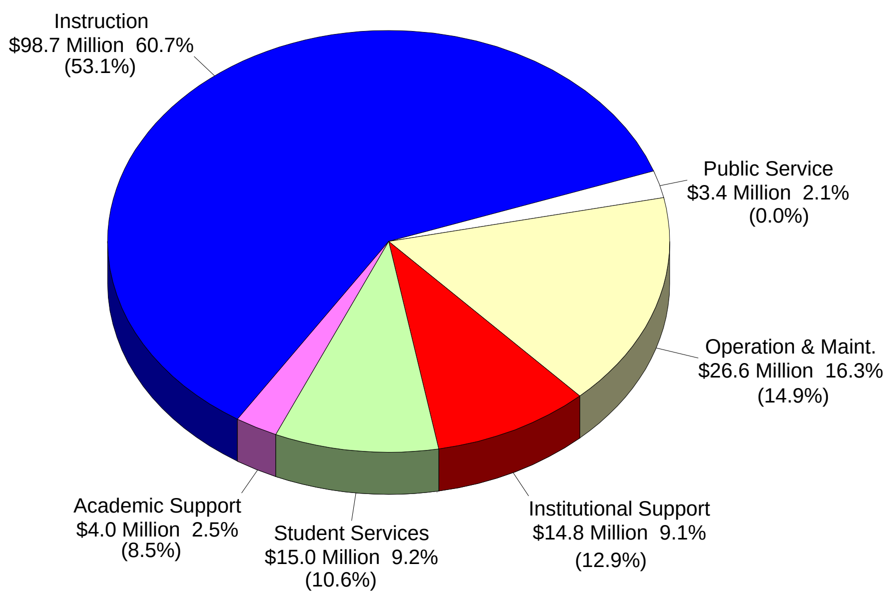
Adopted FY 2004-05 Expenditure Budget By Object
(Compared to Local Community Colleges)



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

As illustrated in the chart on the previous page, the College's expenditures are made up of 65.0% salaries and 22.4% fringe benefits. Other Than Personal Services (OTPS) makes up only 12.6% of the total adopted budget. As a basis for comparison, the corresponding average percentage for local community colleges in FY 2002-03, the most recent year for which these figures are available, follows in parentheses. NCC spends more on salaries and fringe benefits as a percentage of total costs than the other local community colleges (87.1% vs. 84.4%). In FY 2002-03 Nassau Community College had a net operating expenditure per FTE student of $7,569, and a student/faculty ratio of 17.3 to 1. The corresponding averages for other local community colleges were $7,077 and 20.9 to 1.

Adopted FY 2004-05 Expenditure Budget By Function
(Compared to Local Community Colleges)



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

The above chart shows the operating expenditures distributed by function for both the adopted NCC budget and, in parentheses, for the other local community colleges (FY 2002-03). In the FY 2004-05 budget NCC proposes spending a higher percentage of their budget on Instruction (60.7%) than the other local community colleges (53.1%). They also propose spending more in Adult Education (2.1% vs. 0.0%), and Operation and Maintenance of Plant (16.3% vs. 14.9%). A smaller portion of NCC's budget was allocated for Administration (9.1% vs. 12.9%), Academic Support (2.5% vs. 8.5%), and Student Services (9.2% vs. 10.6%).

I. SALARIES & WAGES

Next year the College will be collapsing the control centers into one and the responsibility centers will be used to track operations and will be coordinated under the budgetary control of either the President or one of the Vice Presidents. The scholarships have been budgeted under the responsibility center of the Vice President also in charge of Maintenance & Operation of Plant. It is anticipated that this new format will improve internal reporting and monitoring of the College's operations. The control centers are still shown here for presentation purposes.

Salaries and wages ($105.6 million) makes up approximately 65.0% of the total adopted budget and are increasing by 4.0% over the FY 2003-04 budget ($101.5 million) and the College's FY 2003-04 projected actual ($101.6 million). This reflects the 2.0% COLA increase and regular step increments to be received September 1, 2004 by the College's largest union, the Nassau Community College Federation of Teachers (NCCFT). In addition, 4.6% increases are included for members of the Civil Service Employees Association (CSEA), which includes the step increases and a 2.8% COLA increase. This is likely to be a little low since the COLA is related to the June CPI-U figure, which was 4.6%, bringing CSEA's COLA in 2005 to the maximum of 3.5%. This equates to about a $130,000 risk. The Adjuncts will receive 7.9% in FY 2004-05 according to their contract.

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

FULL-TIME HEADCOUNT

	Adopted 03 - 04		Adopted 04 - 05		Difference			July 04	Diff 05 Adpted vs Actual	
Control Center	F/T	Pers. Svcs	F/T	Pers. Svcs	F/T	Pers. Svcs	% Chg	Act F/T	F/T	% Chg
General Administration	116	$6,227,716	111	$6,359,986	(5)	132,270	2.1%	107	4	3.7%
Instruction	743	48,593,856	740	51,033,768	(3)	2,439,912	5.0%	736	4	0.5%
Work Study Program	0	0	0	0	0	0	0.0%	0	0	-
Extension & Public Serv	12	690,893	13	733,734	1	42,841	6.2%	13	0	0.0%
Library	38	2,054,252	38	2,117,243	0	62,991	3.1%	38	0	0.0%
Student Services	157	8,871,485	157	9,293,122	0	421,637	4.8%	150	7	4.7%
Maint & Op. of Plants	162	8,162,707	146	8,407,727	(16)	245,020	3.0%	144	2	1.4%
Grand Total	1,228	$74,600,909	1,205	$77,945,580	(23)	3,344,671	4.5%	1,188	17	1.4%

PART-TIME HEADCOUNT

	Adopted 03 - 04		Adopted 04 - 05		Difference		
Control Center	P/T	Pers. Svcs	P/T	Pers. Svcs	P/T	Pers. Svcs	% Chg
General Administration	99	$815,214	71	$751,464	(28)	(63,750)	-7.8%
Instruction	1,387	21,657,123	1,413	22,383,502	26	726,379	3.4%
Work Study Program	0	0	0	0	0	0	0.0%
Extension & Public Service	178	1,777,211	176	1,829,463	(2)	52,252	2.9%
Library	67	436,184	68	472,649	1	36,465	8.4%
Student Services	260	1,636,923	264	1,660,017	4	23,094	1.4%
Maint & Operation of Plants	60	588,128	57	552,157	(3)	(35,971)	-6.1%
Grand Total	2,051	$26,910,783	2,049	$27,649,252	(2)	738,469	2.7%

The Office of Legislative Budget Review anticipates an actual FY 2003-04 expenditure of $102.5 million and an FY 2004-05 salary expenditure of $107.8 million assuming the current headcount and level of overtime, termination and differential pay. The College anticipates addressing this with a $3.0 million contingency plan. This includes a reduction of class sections, leading to slightly larger but fewer classes. Every retirement will also be reevaluated to determine if there is a need to fill the position. Overtime and differential will also be reviewed for possible reductions. There are no specific reductions in this plan and it is questionable whether it can be fully achieved. Compared to the current year's budgeted headcount, full-time staffing will decrease by 23 positions, bringing it more closely in line with the actual headcount. The actual full-time headcount as of July 1, 2004 was 1,188 with an increase of 17 positions included in the FY 2004-05 budget. The College does not anticipate reducing the full-time actual headcount and three vacancies are anticipated to be filled in Administrative areas and six new peace officers will be hired. In addition, seven teachers on sabbatical will create two positions in the budgeted headcount since these positions will be filled and there is a separate line for teachers on sabbatical.

II. FRINGE BENEFITS

The adopted budget for fringe benefits is detailed below:

Object of Expense	Adopted FY 03 - 04	Adopted FY 04 - 05	Adopted 05 vs. Adopted 04	% Change	Projected FY 03 - 04	Adopted 05 vs. Adopted 04	% Change
Social Security Contribution	$7,725,800	$7,925,456	$199,656	2.6%	$7,445,000	$480,456	6.5%
Health Insurance	10,021,000	11,377,517	1,356,517	13.5%	10,089,475	1,288,042	12.8%
TIAA CREF (Retirement)	5,400,000	5,600,000	200,000	3.7%	5,400,000	200,000	3.7%
Health Insurance Retirees	4,991,900	5,635,000	643,100	12.9%	4,999,900	635,100	12.7%
Teachers Retirement	467,000	475,000	8,000	1.7%	467,000	8,000	1.7%
Medicare Reimbursement	550,000	590,000	40,000	7.3%	550,000	40,000	7.3%
Workers' Compensation	718,500	787,850	69,350	9.7%	718,500	69,350	9.7%
Dental	701,000	810,000	109,000	15.5%	790,000	20,000	2.5%
State Retirement	2,898,000	2,985,000	87,000	3.0%	1,915,125	1,069,875	55.9%
Retirement Debt Service	236,800	0	(236,800)	-100.0%	0	0	-
Optical Plan	149,000	160,000	11,000	7.4%	150,000	10,000	6.7%
Unemployment	75,000	75,000	0	0.0%	75,000	0	0.0%
	$33,934,000	$36,420,823	$2,486,823	7.3%	$32,600,000	$3,820,823	11.7%

Fringe benefits are increasing by $2.5 million or 7.3% from the adopted FY 2003-04 budget and by $3.8 million or 11.7% from the FY 2003-04 projected. This is primarily due to increases in state retirement and health insurance. The state retirement cost (including group life insurance) is anticipated to be about 12.7% of salaries in FY 2004-05. Based on inflation factors and annual salaries, the total cost in FY 2004-05 should be about $3.1 million. The current year's projection is about $1.1 million lower than next year's budget due to the implementation of the 2003 Hevesi (NYS Comptroller) plan, which lowered the contribution rate to 4.5%. Health insurance is expected to jump 12.8% from the projected actual, keeping in line with increases anticipated at the County. The contribution rate for TIAA CREF, the retirement plan for full-time teachers, is based on salaries and not the stock market performance, so it is only increasing by 3.7% from the FY 2004-05 adopted and budget. Health insurance for retired employees is increasing by 12.9% from the FY 2003-04 budget and 19.5% from the current projected actual ($4.7 million). The social security contribution is expected to increase by 2.6% from the

FY 2003-04 budget and 6.5% from the projected resulting in part from increased salaries and the anticipated increase in the base contribution level in October 2004. Workers compensation is increasing by 9.7% from both the FY 2003-04 budget and projected actual.

III. OTHER THAN PERSONAL SERVICES (OTPS)

The College's adopted OTPS budget, made up of all expenses other than payroll and fringe benefits, includes a decrease of $2.2 million from the FY 2003-04 budget and $592,982 from the FY 2003-04 projected actual. The distribution of these costs by control center can be seen in the chart below:

Control Center	FY 03 - 04 Adopted Budget	FY 04 - 05 Adopted Budget	Adopted 05 vs. Adopted 04	% Change	FY 03 - 04 Projected Actual	Adopted 05 vs. Projected	% Change
General Administration	$2,019,350	$1,838,692	($180,658)	-8.9%	$1,803,530	$35,162	1.9%
Instruction	3,232,650	3,070,395	(162,255)	-5.0%	$3,021,780	$48,615	1.6%
Extension & Public Service	322,000	322,000	0	0.0%	$322,000	$0	0.0%
Library	471,905	471,905	0	0.0%	$471,905	$0	0.0%
Student Services	752,969	452,969	(300,000)	-39.8%	$704,569	($251,600)	-35.7%
Maint & Operation of Plant	15,810,146	14,287,232	(1,522,914)	-9.6%	$14,712,391	($425,159)	-2.9%
	$22,609,020	$20,443,193	($2,165,827)	-9.58%	$21,036,175	($592,982)	-2.82%

As demonstrated in the chart on page 8, contractual services are decreasing by $2.3 million from the FY 2003-04 budget and $1.1 million from the FY 2003-04 projected. Maintenance and Operation of Plant contracts are decreasing by $1.5 million from the FY 2003-04 budget due to a reduction in the funding of infrastructure maintenance. These include eliminating pressure washing, railing and metal repair contract work, carpet replacement and refinishing wood floors. Reductions will be made from inventory, upgrades and repairs of toilet partitions, external cleaning, frequency of repair and maintenance of the central HVAC system, frequency of duct cleaning and sanitizing, maintenance on unit ventilators, asphalt repair and repair of damaged vehicles. The adopted budget is dropping from the FY 2003-04 projected by $425,159. Funds were utilized for security cameras, additional lighting and the I.D. program in FY 2003-04 which are not expected to reoccur in FY 2004-05.

The projected actual expenditure for student services is also decreasing by $300,000 from the FY 2003-04 budget due to contractual services. The $300,000 was put in the FY 2003-04 budget in anticipation of outsourcing security guards, but it has since been decided not to outsource this function and to reclassify this as a salary expense.

Multi-Year Plan

EXPENSES	FY 2005 Projected Operating Results	FY 2006 Projected Operating Results	FY 2007 Projected Operating Results	FY 2008 Projected Operating Results
Salaries	105,344,832	110,357,496	115,050,575	120,227,851
Fringe Benefits	36,420,823	38,403,198	40,447,000	42,267,115
Sub-total	141,765,655	148,760,694	155,497,575	162,494,966
Equipment	2,000,000	1,961,606	1,949,893	1,949,893
Materials & Supplies	1,500,000	1,525,000	1,550,000	1,550,000
General Expenses	4,441,000	4,500,000	4,500,000	4,500,000
Contractual	5,997,740	5,801,781	6,186,782	6,274,576
Utility Costs	1,015,133	1,050,133	1,100,000	1,100,000
Interfund Charges	5,624,320	5,849,293	5,860,000	5,860,000
Other	115,000	120,000	120,000	120,000
Sub-total	20,693,193	20,807,813	21,266,675	21,354,469
Total	162,458,848	169,568,507	176,764,250	183,849,435
REVENUES				
Investment Income	500,000	350,000	350,000	350,000
Rents & Recoveries	1,122,000	1,172,000	1,172,000	1,172,000
Revenue Offset To Expense	3,900,000	4,050,000	4,150,000	4,150,000
Service Fees	3,705,000	3,855,000	3,955,000	3,955,000
Student Revenues	55,203,309	59,010,434	62,817,558	66,624,683
Rev Lieu Sponsor Share	11,798,322	12,258,456	12,736,536	13,233,261
Federal Aid	250,000	250,000	250,000	250,000
State Aid	41,181,500	42,076,750	42,972,000	43,867,250
Property Taxes	44,798,717	46,545,867	48,361,156	50,247,241
	162,458,848	169,568,507	176,764,250	183,849,435

Using the FY 05 budget as a base, the College is showing a slight reduction in investment income, and little or no growth for, rents and recoveries and federal aid through FY 08. The property tax levy is projected to grow by 3.9% annually. Revenue lieu sponsor share, which is based on the amount that the County spends for its own residents attending the College, is projected to increase annually by the same 3.9% that the property tax is expected to grow. Student revenues are increasing due to projected tuition hikes of $200 in each of the out-years. Enrollment is estimated to remain at the FY 05 level. State aid assumes a rate of $2,300 in FY 05, with $50 increases in each of the following three years.

Salaries and wages in 2005 are based on a revised 2004 base of $2.3 million less the $3.0 million contingency plan. Out year salaries are increasing by 4.8% in FY 06, 4.3% in FY 07 and 4.5% in FY 08. FY 05 is the last year for both the NCCFT and adjunct contracts and similar increases are anticipated for the out-years as were received in FY 05. The CSEA contract increases have been utilized in the out years. Fringe Benefits are increasing 5.4% in FY 06, 5.3% in FY 07 and 4.5% in

FY 08. The State Retirement system is assumed to stay at the current contribution rate and Health insurance is reasonably expected in increase by about 13.0%. All other fringe benefits are expected to grow at about the same rate as payroll costs. Total OTPS is expected to increase by 0.6% in FY 06 and to increase by 2.2% in FY 07 and 0.4% in FY 08. These increases are kept low due to the uncertainty of available funding.

The risks in the adopted FY 2004-05 budget, should they materialize, would of course impact on the out-years of the Multi-Year Plan.

PARKS, RECREATION AND MUSEUMS

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

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 05 budget and baseline.

Fee Initiative (BFBU01) - $1,000,000

This is part of the County-wide initiative to increase fees by $3.8 million. This department will be increasing fees a total of $1,000,000. The $1,000,000 of increased fees is comprised of increased charges for most golf related activities and services, cabana rentals and ice skating. The projected increased revenue seems optimistic since current year-to-date collections anticipate a shortfall due to under-usage.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BE	Invetment Income	15,000	50,000	45,000	45,000	30,000	(5,000)
BF	Rents and Recoveries	1,122,000	1,000,000	1,340,000	1,490,000	368,000	490,000
BG	Revenue offsets to Exp.	250,000	250,000	250,000	250,000	0	0
BH	Department Revenues	18,546,300	16,000,000	19,699,350	20,349,350	1,803,050	4,349,350
TL	Property Tax	43,577,327	43,577,327	43,577,327	46,478,763	2,901,436	2,901,436
TX	Special Taxes	325,000	200,000	975,000	975,000	650,000	775,000
	Grand Total	**63,835,627**	**61,077,327**	**65,886,677**	**69,588,113**	**5,752,486**	**8,510,786**

The Department of Parks and Recreation receives the bulk of its revenue from a dedicated property tax levy. Increased revenues are necessary to cover the increased expenses projected for the Parks Fund next year. In FY 05 the department will receive $46.5 million from the levy.

OMB's FY 04 projection for departmental revenues show an anticipated shortfall of over $2.5 million compared to the $18.5 million budget, yet the proposed budget estimates an increase of almost 10% compared to the current year's budget. The FY 05 budget includes additional revenue from the Aquatic Center, which should start to generate increased business, and additional revenues from golf operations and fee increases. It is not clear to OLBR why departmental revenues are expected to increase by such a large variance. For the last two years the Administration has significantly over projected for revenue and at this point there has been no indication that FY 05 will be any different.

Although it appears that special taxes will triple from the current year's budget, the revenue generated in this account is actually being held constant at its FY 04 level. The special taxes are from one-twelfth of the hotel/motel room tax. Currently the revenue is divided, with one portion going to the Parks Department, another portion going to Planning Department and the largest portion going to the Treasurer's Office. In FY 05 the Parks Department will receive its normal portion plus an additional $650,000 which represents the Planning Department's portion. Overall the budget for special taxes appears overstated, especially when compared to the projected shortfall of $125,000 in FY 04.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	16,482,088	17,010,291	18,453,340	18,328,447	1,846,359	1,318,156
AB	Fringes	9,456,283	8,969,045	9,376,715	9,980,312	524,029	1,011,267
	Total PS	**25,938,371**	**25,979,336**	**27,830,055**	**28,308,759**	**2,370,388**	**2,329,423**
BB	Equipment	331,490	406,490	545,700	1,113,700	782,210	707,210
CC	Materials & Supplies	839,345	764,345	994,700	1,528,200	688,855	763,855
DD	General Expenses	635,108	635,108	830,500	830,500	195,392	195,392
DE	Contractual Services	2,466,654	2,466,654	3,547,000	4,298,000	1,831,346	1,831,346
	Total OTPS	**4,272,597**	**4,272,597**	**5,917,900**	**7,770,400**	**3,497,803**	**3,497,803**
HD	Debt Service Chargebacks	19,221,265	20,379,840	18,349,426	18,349,426	(871,839)	(2,030,414)
HF	Inter-Departmental Charges	14,403,394	14,403,394	0	15,159,528	756,134	756,134
	Grand Total	**63,835,627**	**65,035,167**	**52,097,381**	**69,588,113**	**5,752,486**	**4,552,946**

Inter-departmental charges and debt service chargebacks, have been separated out of the OTPS budget for comparison purposes. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Parks Department. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest components of the inter-departmental charges are for facilities and equipment maintenance at a cost of $5,105,304, indirect charges of $3,177,385 and another $3,146,128 for security services provided by the Police Department.

The capital debt service estimate is made up mostly of long-term debt service for all parks facilities, with the remainder made up of debt related to the Mitchell Field complex and the Cradle of Aviation. The projection for capital debt service has been reduced 4% from FY 04.

Review of the expense budget by object class reflects a salaries increase in the department of $1.8 million. This can be attributed to the addition of 37 full-time employees and 13 part-time employees and a contractual CSEA raise. The department of Public Works will transfer its rink and pool maintenance staff to the Parks budget. Essentially these employees will continue to perform the same tasks for the County, except their expense will be budgeted in the Parks Department.

The OTPS expenses will increase $3.5 million in FY 05. The Parks Department has not seen an increase of this magnitude in several years. After several years of reduced OTPS allocations, with the proposed increases in the FY05 budget the department will be able to upgrade equipment for park and golf facilities, increase supplies to upgrade various parks, pools and driving ranges.

The Parks Department has various contracts that facilitate many of its daily operations. Contract functions include but are not limited to: 1) Custodial maintenance for the department's building restrooms at each major facility, including golf courses, pool, ice rinks and picnic areas. 2) Garbage removal, which saves the County from having to own and operate its own trucks. 3) Personal services, dedicated for museum programs throughout the County. Overall, the allocation to contractual services will increase by $1.8 million over the current year's budget.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance Exec. vs Adopted 04	Variance Exec. vs Request
10	Administration	34,496,292	20,298,123	36,007,702	1,511,410	15,709,579
20	Technical Service	6,325,126	7,440,418	8,918,224	2,593,098	1,477,806
30	Recreation Services	5,436,875	5,849,839	5,827,089	390,214	(22,750)
40	Museums	4,186,073	4,411,304	4,319,304	133,231	(92,000)
60	Golf Operations	0	2,382,780	2,255,780	2,255,780	(127,000)
61	Golf Operations	3,934,978	2,338,202	2,279,702	(1,655,276)	(58,500)
	Fringe Benefits	9,456,283	9,376,715	9,980,312	524,029	603,597
	Total	**63,835,627**	**52,097,381**	**69,588,113**	**5,752,486**	**17,490,732**

For presentation purposes control center 61 has been presented as golf operations. The official name for the control center is Administration. Both control center 60 and 61 represent cost and revenues of golf operations for the County.

The funding for Parks and Recreation will increase by $5.8 million. All of the control centers will receive additional allocations in FY 05 except control center 61 which will be reduced by $1.6 million. The reduction represents the expense for golf operations which will now be budgeted in a separate control center. In FY 04 some of the expense from golf operations appeared in the Golf Operations (61) control center. The 2005 proposed budget marks the first time the department has been able to completely isolate the revenues and expenses of golf operations for the County.

Both the Administration and Technical Services control centers will be receiving significantly more funding than what was budgeted for the current year. This is largely due to the additional headcount and funding for contracts and purchases. The additional headcount budgeted in the proposed budget is also reflected in increased fringe benefit costs for FY 05.

Nassau County Parks & Recreation Fund
Staffing Analysis

CC		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC	**Full-time Staffing**						
10	Administration	8	13	15	37	29	24
20	Technical Service	82	80	90	90	8	10
30	Recreation Services	45	42	46	46	1	4
40	Museums	41	40	40	40	(1)	0
60	Golf Operations	0	44	20	20	20	(24)
61	Golf Operations	47	0	27	27	(20)	27
	Total Full-Time	**223**	**219**	**238**	**260**	**37**	**41**
CC	**Part-time Staffing**						
10	Administration	1	3	1	1	0	(2)
20	Technical Service	25	39	53	53	28	14
30	Recreation Services	80	112	81	81	1	(31)
40	Museums	42	52	42	42	0	(10)
60	Golf Operations	0	11	12	12	12	1
61	Golf Operations	32	0	4	4	(28)	4
	Total Part-time	**180**	**217**	**193**	**193**	**13**	**(24)**
CC	**Seasonal Staffing**						
10	Administration	2	0	1	1	(1)	1
20	Technical Service	190	95	97	97	(93)	2
30	Recreation Services	554	377	617	617	63	240
40	Museums	95	22	27	27	(68)	5
60	Golf Operations	0	106	124	124	124	18
61	Golf Operations	275	0	76	76	(199)	76
	Total Seasonal	**1,116**	**600**	**942**	**942**	**(174)**	**342**

The increase in full-time personnel can be attributed to the redeployment of personnel from the Department of Public Works and the addition of 20 laborers to the grounds maintenance staff.

The department is authorized to hire 942 seasonal employees in FY 05. The number of budgeted seasonal personnel was derived by dividing the money allocated for seasonal help, by an average of seasonal staff member's gross pay of $6,000 over the course of the year. Historically the department operates with more than the budgeted number of seasonals with intentions of tightly managing the dollars. For the proposed budget the department will be allocated $1,361,250 for seasonal help.

Out Year Initiatives:

ID	NAME	FY 2005	FY 2006	FY 2007	FY 2008
PPWP01	Advertising	0	$250,000	$500,000	$750,000
PPWP03	Parks Revenue Enhancement Plan	0	$3,000,000	$5,000,000	$7,000,000

With the **advertising** initiative the Administration plans to sell advertising space on buildings to businesses. This initiative is still in the research stage and there is no supporting documentation for the projected revenue generation.

The **Parks revenue enhancement plan** initiative planned improvements at the Aquatic Center and at the landmark preservation units account for a majority of the targeted additional revenue. The department hired a new Director for the Aquatic Center and the additional revenue projected is a result of her commitment to maximize pool space and the unused areas of the facility. Her plans include additional swimming classes and new offerings such as karate instruction. In addition, the department expects to increase rental income from some of its sites by contracting with a real estate management company. At this point this initiative is still in the planning stages and the projections for the out-years appear to be optimistic.

OFFICE FOR THE PHYSICALLY CHALLENGED

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

During the FY 04 budget year the department will be moving from 1550 Franklin Avenue to 60 Charles Lindburg Boulevard. Due to the move the office's general expenses account received a $82,000 board transfer during the current year. This money will be used for file imaging. This accounts for the entire cost of this project in the Office of Physically Challenged and is not included in the FY 05 budget. Although this project will not begin in 2004, the contract should be approved this year. Also, the Office of Physically Challenged building occupancy charges will increase from $20,867 to $171,430 as a result of the move.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	242,356	$273,608	$274,812	$274,812	$32,456	$1,204
BB	Equipment	2,000	$1,000	$2,050	$2,050	$50	$1,050
CC	Materials & Supplies	24,000	$12,000	$24,600	$24,600	$600	$12,600
DD	General Services Expenses	3,000	$85,520	$3,075	$3,075	$75	($82,445)
DE	Contractual Services	25,500	$25,500	$26,138	$26,138	$638	$638
	Total OTPS	**54,500**	**$124,020**	**$55,863**	**$55,863**	**$1,363**	**($68,157)**
HF	Inter-Departmental Charges	76,549	$83,691	$0	$255,751	$179,202	$172,060
	Grand Total	**$373,405**	**$481,319**	**$330,675**	**$586,426**	**$213,021**	**$105,107**

The FY 05 salaries budget for the Office for the Physically Challenged has been increased by $32,456 or 13%. The increase is directly related to raises for the six employees of the department.

The OTPS budget will be funded with $55,863 for the 2005 fiscal year. The contractual services account is used to perform sensitivity and awareness seminars for Nassau County school districts. Large portions of the general expenses and equipment and supplies accounts are used to conduct the volunteer parking enforcement program. The department uses the funds allocated to these accounts to purchase cameras, film and other supplies related to the program. The remainder of the OTPS budget consists of $2,000, which is allocated for regular office supplies, subscriptions to resource materials, and other general expenses incurred operating an office. Projected spending in FY 04 general expense account is for the previously mentioned project.

Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Office for the Physically Challenged. A corresponding 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 at a cost of $171,430, $35,817 for printing and graphics, and another $33,220 for information technology.

Office for the Physically Challenged
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	6	6	6	6	0	0

The number of budgeted full-time positions will remain flat for FY 05.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BD Fines and Forfeits	30,000	30,000	30,000	30,000	0	0

Pursuant to State law, the department receives half the $30 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 next year will remain unchanged from FY 04. The OMB FY 04 projection has been revised from $30,000 to $109,000. This money represents $79,000 that has been collected and rolled over from year to year and left unspent, which may be a violation of State law.

PLANNING

The FY 05 Planning department budget is increasing funding for Long Island Bus (LI Bus) fixed route operations while maintaining funding for LI Bus paratransit operations at their 2004 level. The LI Bus fixed route funding increase brings the County's subsidy in-line with its 2001 level, but represents a 61% decrease from 1999's subsidy and is less than LI Bus's 2005 request of $13,192,000 for its fixed route operations. Planning department revenues are decreasing since the hotel/motel, special tax, line is now being budgeted in the Parks department.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance From Exec. Vs. Adopted 04	Variance From Exec. Vs. To Request
10	Planning	3,982,052	2,809,546	3,235,225	(746,827)	425,679
35	Mass Transportation	39,943,541	40,631,797	45,170,797	5,227,256	4,539,000
	Total	**43,925,593**	**43,441,343**	**48,406,022**	**4,480,429**	**4,964,679**

The expense budget delineated by control center appears in the above chart. The total executive budget is increasing by $4.5 or 10.2% from the FY 04 adopted budget. The increase is a direct result of higher mass transportation funding. The mass transportation control center is rising by $5.2 million or 13.0% from the FY 04 adopted budget. As the chart below details, within the mass transportation control center, it is the fixed route, Metropolitan Suburban Bus Authority subsidy that is being increased. Handicapped Transportation and LIRR Operating Assistance funding are unchanged. The LIRR Station Maintenance funding is increasing by the CPI as contractually specified. Currently, the FY 04 LI Bus funding is increasing as a result of an agreement worked out with them. During 2003's budget negotiations, the proposed $3.9 million LI Bus paratransit subsidy decrease was partially restored with the understanding that both entities would revisit the operating subsidy for FY 04 to ascertain if the additional monies were needed to avoid service cuts. The review was completed and the additional money was supplementally appropriated to avoid service cuts.

MM Mass Transportation		FY 04 Budget	Executive FY 05	Difference
630	Authority	2,961,000	7,500,000	4,539,000
631	LIRR Station Maintenance	22,338,749	23,012,005	673,256
632	MTA-LIRR Operating Assistance	11,583,792	11,583,792	0
635	Handicapped Transportation System	3,000,000	3,000,000	0
DD General Expenses		0	15,000	15,000
OO Other Expenses				
60H	Lido Beach Bus Rte	60,000	60,000	0
Total CC 35 Mass Transportation		39,943,541	45,170,797	5,227,256

The FY 05 LI Bus total preliminary expense budget is $111.1 million. Fixed route expenditures represent 90% of total LI Bus expenses and paratransit operations comprise 10% of total LI Bus expenses. Nassau's 2005 subsidy of fixed route operations will represent 8.6% of total fixed route revenue and it's paratransit subsidy will comprise 35.4% of total paratransit revenues. The chart below details these percentages historically.

Nassau County Funding of LI Bus

Fixed Route Operations

	LI Bus Total Revenues & Subsidies	Nassau MSBA Subsidy	Nassau / LI Bus Revenues
2001	74,200,000	7,853,000	10.6%
2002	76,275,000	5,852,980	7.7%
2003	84,892,000	3,853,000	4.5%
2004	86,120,000	2,961,000	3.4%
2005	87,051,000	7,500,000	8.6%

Paratransit Operations

	LI Bus Total Revenues & Subsidies	Nassau Handicapped Subsidy	Nassau / LI Bus Revenues
2001	7,273,000	3,458,000	47.5%
2002	8,090,000	4,458,000	55.1%
2003	8,763,000	4,458,000	50.9%
2004	10,059,000	3,000,000	29.8%
2005	8,481,000	3,000,000	35.4%

All totaled, the County's $10.5 million subsidy falls $5 million short of LI Bus' request. Currently, LI Bus has not been able to fund its projected budget deficit.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	**Name**	**Adopted FY 04 Budget**	**OMB FY 04 Projection**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs FY 04 Proj.**
AA	Salaries	1,848,630	1,848,630	2,017,383	1,707,514	(141,116)	(141,116)
BB	Equipment	29,400	16,000	112,844	7,172	(22,228)	(8,828)
CC	Materials & Supplies	10,146	5,000	4,204	3,995	(6,151)	(1,005)
DD	General Expenses	56,141	65,000	104,115	73,598	17,457	8,598
DE	Contractual Services	1,208,459	3,060,759	586,000	586,000	(622,459)	(2,474,759)
MM	Mass Transportation	39,883,541	39,883,541	40,556,797	45,095,797	5,212,256	5,212,256
OO	Other Expenses	60,000	60,000	60,000	60,000	0	0
	Total OTPS	**41,247,687**	**43,090,300**	**41,423,960**	**45,826,562**	**4,578,875**	**2,736,262**
HF	Inter-Dept. Charges	829,276	829,276	0	871,946	42,670	42,670
	Grand Total	**43,925,593**	**45,768,206**	**43,441,343**	**48,406,022**	**4,480,429**	**2,637,816**

The above chart details the Planning Department expense budget by object code. The salary line is decreasing by $141,116 or 7.6% from the adopted FY 04 budget. The decrease is a result of the transfer of GIS employees to the IT Department. OLBR projects the FY 04 payroll costs of the Planning department to be $1.4 million. The difference between the 2005 budgeted salaries and the OLBR 2004 salary projection would be sufficient to fund the vacant employees. A more detailed analysis of the department's headcount is included on the next page.

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 the Planning Department. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenues (BJ). The FY 05 OTPS budget is increasing by approximately 11.1% from the FY 04 budget. The rise is the net result of the increase in mass transportation funding described previously as well as a 51.5% reduction in the contractual services line. The contractual services line is decreasing as a result shifting of the hotel/motel revenue to the Parks Department. The Planning Department portion of the hotel/motel tax revenues was dedicated to contracting with an entity to promote tourism on Long Island. The Parks Department will now be responsible for contracting with a tourism entity. The 2005 Planning Department contractual services line will be used to cover the cost of several GIS contracts. The increased HF, inter-department charges, are the net result of new County Attorney and decreased information technology charge backs.

Planning Staffing Analysis	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	24	17	25	21	(3)	4
Part-time and Seasonal	13	10	14	14	1	4

The FY 05 budgeted headcount for the Planning Department is decreasing from the adopted FY 04 by three full-time positions. The decrease is a result of the transfer of three GIS employees to the IT Department. The department has been operating below their budgeted headcount, thus to reach their budget, four full-time positions and four part-time positions would have to be filled. The vacant positions are Accountant III, Planner I, Planner II, and Clerk Part-Time. Based on an analysis of the budgeted salaries for these positions, the budgeted salary line is sufficient.

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 05 budget and baseline.

Fee Initiative (BFBU01) - $255,000

This is part of the County-wide initiative to increase fees by $3.8 million. This department will be increasing fees a total of $255,000. Of the $255,000 increased fees, $230,000 are from GIS fees and $25,000 are from illegal construction fees. The projected $230,000 in GIS revenues seems optimistic. The revised fee structure should make the maps more affordable by enabling the department to sell data in new formats and the e-government initiative is expected to increase marketing and facilitate sales. In the past data could only be sold in 1000 by 1000 foot cells. Since the first cell costs $600 and each additional cell costs $10, the cost for the entire County was roughly $150,000. This was cost prohibitive. Through the new data formats, one can purchase County-wide data for $40,000 to $60,000 depending on the data format selected.

As per subdivision 7 of section 1610 of the County Government Law, the Nassau County Planning Commission has the ability to levy a fee on an owner of any real property or structure who offers for sale any lot, block, site or unit before such plot has been approved by the Commission. This initiative raises the fee to $10,000 for each and every lot, block, site or unit of said subdivision. The current fee is $1,000. The department is increasing the fine as a deterrent, not a revenue generator. The department is expecting to issue 2.5 fines and generate $25,000 in revenues in FY 05. The revenue estimate is reasonable. These revenues are reflected in the fines & forfeits line.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BD	Fines & Forfeits	30,000	30,000	5,000	30,000	0	0
BH	Department Revenues	1,470,000	1,470,000	1,095,500	1,095,500	(374,500)	(374,500)
BJ	Interdept Revenues	1,004,717	1,004,717	0	1,508,742	504,025	504,025
BK	Service Fees	0	4,160	30,000	260,000	260,000	255,840
FA	Federal Aid	0	1,217,070	0	0	0	(1,217,070)
TX	Special Taxes	650,000	650,000	0	0	(650,000)	(650,000)
	Total	**3,154,717**	**4,375,947**	**1,130,500**	**2,894,242**	**(260,475)**	**(1,481,705)**

The FY 05 Planning Department revenue budget is decreasing 8.3% from the FY 04 budget. The decrease is the net result of a decrease in departmental revenues and the transfer of special taxes to the Parks Department; combined with increases in service fees and interdepartmental revenues. Service fees are fees collected by the department from sales of GIS maps and data. Interdepartmental revenues account for the costs incurred by the Planning Department for services, supplies, and materials provided to other County departments. A corresponding expense gets booked to the budget of the user department as an interdepartmental charge (HF).

NASSAU COUNTY POLICE DEPARTMENT

Overtime in 2005 will increase over the Police Department's Adopted 2004 budget of $27.8 million by about 25%, or $6.8 million. This is approximately $10.4 million less than the current 2004 OMB projection of $45 million and $9.9 million less than the Office of Legislative Budget Review's 2004 projection of $44.5 million. Declining headcount and contractual constraints have been major contributors to the skyrocketing overtime costs in the past and overtime budgets have been unrealistically low with targets that were unachievable. The 2003 PBA settlement, that provided for concessions in minimum manning and civilianization which allow for greater management efficiencies, and the increased headcount will be significant factors in targeting overtime expense. Also, the recent success of "flying supervisors", shifting supervisors to areas where needed, has been a proven management tool in positively impacting overtime costs. Based on prior years' overtime costs and the potential for larger than expected retirements, it remains to be seen if the proposed budget provides adequate funding for overtime expense in 2005. The Administration has stated in its Summary of the Fiscal 2005 Proposed Budget that the proposed budget "accommodates the hiring of approximately 300 cadets in 2005 if necessary to attain the 2,650 headcount." The growth in the uniform ranks, the PBA concessions for minimum manning, extra hours worked and the 50 additional positions to be civilianized so that more police officers will be redeployed to patrol, will enable the Administration to manage more efficiently through creative redeployment to ensure public safety and control the high cost of overtime.

The following chart illustrates how the Police Department categorizes overtime within both Headquarters and the District funds.

2003/2004 PD OVERTIME

	2003	% of Total	2004 YTD**	% of Total
PRECINCTS	22,224,374	55.38%	11,916,292	50.01%
OTHER *	4,472,186	11.14%	3,476,957	14.59%
RECORDS SECTION	2,491,971	6.21%	1,590,894	6.68%
SQUADS	2,218,149	5.53%	1,233,524	5.18%
HIGHWAY PATROL	2,070,224	5.16%	1,190,318	5.00%
COMMUNICATIONS BUREAU	1,973,376	4.92%	1,215,083	5.10%
EMERGENCY AMBULANCE	1,009,553	2.52%	576,927	2.42%
FLEET SERVICE BUREAU	726,946	1.81%	683,434	2.87%
BUREAU SPECIAL OPERATIONS	686,207	1.71%	507,528	2.13%
HOMICIDE	655,682	1.63%	452,570	1.90%
NARCOTICS	641,620	1.60%	456,616	1.92%
MARINE BUREAU	474,339	1.18%	245,643	1.03%
SPECIAL INVESTIGATION	257,761	0.64%	188,527	0.79%
ROBBERY	229,325	0.57%	92,064	0.39%
TOTAL	**40,133,716**	**100%**	**23,826,377**	**100%**

* Consists of 61 responsibility centers that make up a small percentage of total overtime.
** September 7, 2004

Overtime expense is classified into 74 responsibility centers in the police department's budget, the majority of which is in the precincts and highway patrol. It follows that that is where a considerable portion of the overtime lies because light roll call in the precincts and highway patrol generates many of the overtime hours. Overtime is also high in the detective division, which had approximately $2.6 million in 2003. It is not reflected in the above chart because detective overtime encompasses too many responsibility centers to be included in the chart, some of which is included in the “other” category such as the electronics unit, legal bureau, asset forfeiture, public information office and planning bureau. There is also a sizeable amount of overtime in the records bureau, communications bureau and emergency ambulance bureau. It should be noted that the communications bureau had almost $2 million in overtime in 2003 and with 2004’s September actuals at $1.3 million it appears likely that this year’s expense will equal 2003’s. Yet the headcount for the communication bureau is decreasing by seven positions in 2004. If scheduling and sick and vacation leave are factors that impact overtime, then the reduction in headcount would lead to increased overtime.

Termination in 2005 is budgeted at $26.2 million, about 4.1%, or $1 million less than the prior year. To-date there have been about 50 members from Headquarters and about 40 members for District who have retired with an average payout of approximately $214,000. The 2004 termination budget is adequately funded for OLBR’s projected 125 separations based on the average payout of $214,000, although the Administration projects a department-wide total of 158 uniforms retiring by the end of 2004 which would mean this year’s termination expense would exceed the 2004 budget. However, the Administration reserved $38.5 million of 2003 funds and excess accrued funds from the PBA arbitration to ensure there would be sufficient coverage for this expense. The reserve will also protect against a one time surge should more than expected uniform personnel decide to leave as a result of a potential resolution of an arbitration agreement with the County and the DAI and SOA unions. If the unions receive similar provisions to those that were included in the PBA award, there could be a recalculation of termination pay by means of a higher denominator which could result in lower payouts and therefore act as incentive to retire for those undecided about leaving. This could lead to higher than projected numbers retiring. Currently there are 2,588 uniform personnel, 471, or 18.2% of sworn staff, with 20 years or more of service and eligible to retire. Of that total, 243, or 9.4% have 30 or more years of service. The Administration has wisely set aside money for this potential cost in the form of the aforementioned reserve. With an estimated 100 retirements that will take place department-wide in 2005, there should be sufficient funding in the budget for termination expense. While it is unlikely that 18% of the sworn membership will retire because historically, most retire after 25 to 30 years of service, the reserve fund the Administration plans, should protect from any surge in retirements in 2005.

Police Department Headcount by Union

Union	2004 Adopted	Sept. Actuals	2005 Executive	2005 vs 2004	2005 vs Actuals
PBA	1,716	1,794	1,805 *	89	11
DAI	370	377	425	55	48
SOA	410	417	422	12	5
Subtotal	**2,496**	**2,588**	**2,652**	**156**	**64**
CSEA	715	724	747	32	23
ORD	3	4	4	1	0
Total	**3,214**	**3,316**	**3,403**	**189**	**87**

* Includes 2 temporary positions that are sometimes vacant.

As shown on the previous page, the 2005 Police Department headcount is increasing in all unions over 2004 adopted and September actual numbers. This goes along with the Administration's commitment to reverse the trend of headcount reductions in the Police Department and raise and keep the uniform staff numbers at 2,650. It should be noted that 90 civilians have been transferred into the proposed Fleet Management department and building maintenance in Public Works. Had this shifting not occurred, civilian headcount would actually be higher at 110.

Police Headquarters

Headquarters consists of four divisions: (1) Administration, (2) Detective, (3) Patrol Services, and (4) Support and derives its funding from the taxes of all residents of Nassau County.

HEADQUARTERS' EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	167,326,375	170,140,056	176,171,191	175,945,007	8,618,632	5,804,951
AB	Fringe Benefits	81,067,312	83,786,383	87,117,497	82,268,334	1,201,022	(1,518,049)
	Total PS	**248,393,687**	**253,926,439**	**263,288,688**	**258,213,341**	**9,819,654**	**4,286,902**
BB	Equipment	755,950	755,950	1,200,000	500,000	(255,950)	(255,950)
CC	Material & Supplies	1,417,384	1,417,384	1,022,717	1,022,717	(394,667)	(394,667)
DD	General Expenses	3,601,557	3,601,557	3,333,576	2,229,676	(1,371,881)	(1,371,881)
DE	Contractual Services	6,669,580	6,669,580	6,217,120	6,217,120	(452,460)	(452,460)
OO	Other Expenses	160,000	160,000	200,000	410,000	250,000	250,000
	Total OTPS	**12,604,471**	**12,604,471**	**11,973,413**	**10,379,513**	**(2,224,958)**	**(2,224,958)**
HD	Debt Svc Chargebacks	5,144,402	5,672,754	0	5,217,906	73,504	(454,848)
HF	Inter-Dept. Charges	18,517,431	18,517,431	0	33,807,992	15,290,561	15,290,561
	Grand Total	**284,659,991**	**290,721,095**	**275,262,101**	**307,618,752**	**22,958,761**	**16,897,657**

Salaries in the Headquarters budget will increase by about 5.2% in 2005, or approximately $8.6 million, and when compared to FY 04 projections, the growth is about 3.4%. This is a result of the annual 3.9% wage increase awarded to the PBA officers from the 2003 arbitration settlement and increased headcount and the CSEA January 2005 increase of 3.5%.

OTPS expense is decreasing by $2.2 million due to the transfer of approximately $400,000 from materials & supplies and shifting it into interdepartmental charges for fleet management supplies. In addition, $925,000 for uniform and equipment allowance has been taken out of general expenses and transferred into the salary line. Another $500,000 has been deducted from contractual services for radio and communications contracts. A new fleet management department has been proposed for 2005 which will handle all County fleet operations. That the police department makes up a significant portion of the County's fleet force is reflected in the $13 million increase for fleet maintenance charges in interdepartmental charges, which for comparison purposes is below the OTPS line. Also reflected in the interdepartmental line are various charges from other County departments which were developed to more accurately identify and allocate the costs incurred by other departments on behalf of the

Headquarters Fund. Headquarters is responsible for paying for information technology, purchasing, records management, workers' comp, and other services.

Police Headquarters
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs. 04 Adopt	Exec. vs. Actual
Uniform	952	962	1,071	1,071	119	109
Civilian	644	647	684	657	13	10
Total Full-time	1,596	1,609	1,755	1,728	132	119
Part-time and Seasonal	25	35	56	56	31	21

In contrast to the recent past, the Administration has reversed its pattern of reducing the size of the County police force and has added to both the uniform and civilian ranks. The uniform headcount is increasing by 122 with an additional ten civilians over the 2004 budget.

The budget has transferred 68 civilian positions from Headquarters and put them into the proposed Fleet Management department and building maintenance in Public Works, 52 and 16 respectively, and has established a new sub-object code CIV to accommodate 57 civilian positions, the titles of which have yet to be identified. It is our understanding that not all 57 positions targeted for the civilian titles have been agreed upon by the County and the PBA, but it is encouraging to see that funding has been provided for new hires. Some of the problems the Administration has experienced in the past with hiring clerical positions due to low start pay and competition with other jurisdictions have been somewhat alleviated by the elimination of the first two salary steps. This allows the Department to be more competitive when seeking out viable candidates. In addition to the 57 CIV positions, the budget has allowed for 16 more full-time and 23 more part-time Security Officers. That's 42 % more full-timers than last year. Also the number of Police Service Aide Trainees are increasing by four and Police Service Aides go up by one which reflects the police department's efforts towards civilianization.

The proposed establishment of a Fleet Management department has been reviewed and failed passage by the Public Safety Committee of the Nassau County Legislature. The 68 positions mentioned above will remain in Police Headquarters and the costs associated with them and the maintenance of the Police Department's fleet should be restored in the 2005 adopted plan.

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 05 budget and baseline.

Ambulance Billing Reform (PSPD02) - $470,000

This department will be increasing fees a total of $470,000. This initiative adjusts ambulance billing collections upwards based on the CPI. The adjustment seems high given the future growth estimates. Additionally, about a quarter of ambulance collections are Medicare reimbursable and are limited in how much can be reimbursed. If ambulance rates increase, Medicare does not necessarily increase reimbursement.

Fee Initiative (BFBU01) - $111,000

This is part of the County-wide initiative to increase fees by $3.8 million. Police Headquarters will be increasing fee revenue a total of $111,000. This initiative will raise fees for those citizens requesting fingerprints for job applications etc. from the current $10.00 to $15.00. Based on current actuals of $105,480, the projected 2004 annualized revenue for this service is approximately $120,000. Assuming the amount of fingerprint processing remains equal to 2004 levels this revenue is overstated by an estimated $25,000.

HEADQUARTERS' REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BC	Permits & Licenses	430,000	300,000	325,000	325,000	(105,000)	25,000
BD	Fines & Forfeitures	35,000	35,000	0	0	(35,000)	(35,000)
BE	Investment Income	12,960	90,000	86,258	86,258	73,298	(3,742)
BF	Rents & Recoveries	200,000	200,000	200,000	200,000	0	0
BH	Department Revenue	13,098,000	13,098,000	13,568,000	13,679,000	581,000	581,000
BJ	Interdept. Revenue	9,536,196	9,536,196	0	11,720,186	2,183,990	2,183,990
FA	Federal Aid	334,000	334,000	334,000	334,000	0	0
SA	State Aid	589,435	589,435	589,435	589,435	0	0
TL	Property Tax	239,070,905	239,070,905	239,070,905	258,231,378	19,160,473	19,160,473
TX	Special Tax	21,353,495	16,853,495	21,353,495	22,453,495	1,100,000	5,600,000
	Grand Total	**284,659,991**	**280,107,031**	**275,527,093**	**307,618,752**	**22,958,761**	**27,511,721**

The Headquarters Division obtains revenue through several sources. The 2005 revenue budget increases by about $23 million, or 8%, over revenue in 2004. The main drivers for this increase are the $19 million growth in property taxes and the $2 million hike in interdepartmental revenues. Interdepartmental revenues accounts for the costs incurred by Headquarters for services, supplies, and materials provided to other County departments such as the salaries of security officers and other employees budgeted in Headquarters but who provide services to other departments. Also included in this revenue is the chargeback for the use of the police assembly hall for CountyStat meetings which are convened on a regular basis. A corresponding expense gets booked to the budget of the user department as an interdepartmental charge. The $581,000 increase in departmental revenues is mostly related to the CPI adjustment to ambulance fees.

It is estimated that there may be a shortfall of approximately $100,000 in permits & licenses in 2004 for two reasons. First, the Police Department based its projection on a mix of about 100 new and renewal pistol licenses per month. In reaction to September 11th, a large number of people applied for and received permits. Those numbers have fallen dramatically and applications for new licenses have declined. Additionally, while the department is continuing to process approximately 100 applications per month, many are for the large number of retired police officers from either Nassau County or New York City who resides in Nassau County and by law, those applicants cannot be charged an application fee. Fines and forfeitures will decline by $265,000, or 88.3%, due to the suspension of revenue received from the DWI auctions. Special Tax revenues for the E-911 surcharge are growing by $1 million due to an increase in telephone usage. Also contributing to increased revenue is that the County will get the full year's benefit of the 2004 raise in motor vehicle registrations due to late implementation.

Out-Year Initiatives

ID	NAME	FY 2005	FY 2006	FY 2007	FY 2008
PSPD03	Overtime Reductions	0	5,000,000	5,000,000	5,000,000
PSPD04	LIE Reimbursement	0	0	0	9,800,000

The police department's desire to curb the trend in rising overtime costs is the driving force behind **overtime reduction** initiative. It is estimated that with the new police hires in 2004 and 2005, the police department could save $5 million in each of the outyears. The plan is to deploy the new officers, once training has been completed, directly into the precincts where minimum manning requirements are mandated. Efforts to civilianize positions once held by sworn officers will also impact this savings initiative. The savings from this **overtime reduction** initiative are realistic and achievable provided that the Administration stands firm on its plan to keep staffing constant at 2,650 uniform personnel. Civilianizing the 100 agreed upon titles must also be successful to achieve the savings. In the past, there have been problems hiring for certain support positions but the department seems to have overcome the low start pay issue and expects to complete the first phase of 50 hires by the end of 2004. If the department completes the second phase of hiring in 2005, and police officers are redeployed to patrol, then the $5 million savings will be realized.

The cost incurred by the Police Department for patrolling the **Long Island Expressway**, a State owned highway, is approximately $9.8 million. This initiative, which requires State legislation, proposes that the State reimburse Nassau County for providing this service. Given that this proposal has not been well received by the State in the past, it was a County initiative in 2000, it is questionable these savings will be achieved.

Police District

The eight precincts within the County are responsible for the following: preserve the public peace; prevent crime; detect and arrest offenders; protect the rights of persons and property; guard the public health; preserve order at elections and all public meetings; remove nuisances existing in public streets, roads and highways; provide proper police attendance at fires; enforce and prevent the violations of laws and ordinances in force in the 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.

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 05 budget and baseline.

Fee Initiative (BFBU01) - $50,000

This is part of the County-wide initiative to increase fees by $3.8 million. Police District will be increasing fee revenue a total of $50,000. An increase in fees for accident reports, auto accident photographs and good conduct letters of $5.00, $3.00 and $5.00, respectively is expected to generate $50,000 in additional revenue. Based on current projections of $250,000, an additional $50,000 seems to be reasonable.

DISTRICT REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
AA	Fund Balance	0	0	0	2,500,000	2,500,000	2,500,000
BC	Permits & Licenses	1,200,000	1,681,000	1,200,000	1,800,000	600,000	119,000
BD	Fines & Forfeitures	200,000	200,000	200,000	200,000	0	0
BE	Investment Income	10,000	70,000	65,134	65,134	55,134	(4,866)
BF	Rents & Recoveries	150,000	150,000	150,000	150,000	0	0
BH	Department Revenues	2,917,011	3,101,929	3,117,011	3,167,011	250,000	65,082
BJ	Interdepart. Revenues	0	343,000	0	901,426	901,426	558,426
TL	Property Tax	301,296,571	301,296,571	301,296,571	304,354,521	3,057,950	3,057,950
	Grand Total	**305,773,582**	**306,842,500**	**306,028,716**	**313,138,092**	**7,364,510**	**6,295,592**

The District Patrol 2005 revenue budget of $313.1 million is $7.4 million, or 2.4%, over 2004's budget. The are several reasons for this increase including a $3 million growth in property taxes and a $2.5 million in fund balance, $2 million of which will be used for special police initiatives. The $600,000 rise in permits & licenses is actually $119,000 over 2004 projections. The increase is due to the cyclical nature of renewal applications and heavy compliance by business to conform to alarm permit regulations. Providing police services to certain villages generates the revenue in the departmental revenue line. When reassessment occurred, the assessed value in these communities increased and therefore the taxes grew as well. Since the cost of policing services are based on tax rates, revenue also increased and that increase is reflected in the 2005 departmental revenue line. The $900,000 in interdepartmental revenues accounts for the costs incurred by District for services, supplies, and materials provided to other County departments

Salaries in 2004 were budgeted at $195.3 million while OTPS costs were $8.9 million. The 2005 Executive budget for salaries increases by $6.5 million, or 3.3%, but when compared to 2004 projections, salaries grow by $3.4 million, or 1.7%. Higher than budgeted overtime costs, due to a declining headcount, account for the 2004 projected shortfall in salaries. This trend should be reversed in 2005 with the hiring of two new police officer classes in 2004, whose impact on overtime will be felt fully in 2005, and the projected hiring of at least 100 recruits in 2005. The Administration's commitment to holding uniform headcount at 2,650 regardless of the number of terminations, will help in containing overtime expense, particularly in District where mandated minimum manning requires costly overtime. 2004 overtime in District is projected to be about $13 million over the $13 million budgeted for 2004. A stabilized headcount and a commitment to civilianization is an encouraging sign that overtime expense could be controlled. The 2005 budgeted salaries also account for the PBA award salary increases.

2005 termination expense is increasing approximately $1.4 million over 2004 which should be adequate funding in District for the projected 100 department-wide terminations. There are 226 or 13.9%, District uniform personnel with 20 years or more eligible to retire. Although it unlikely that all 226 will retire, the aforementioned contingency reserve should protect against a one time surge in retirements.

DISTRICT EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	195,310,451	198,503,678	204,255,580	201,854,675	6,544,224	3,350,997
AB	Fringe Benefits	81,482,103	83,233,567	87,404,444	84,516,983	3,034,880	1,283,416
	Total PS	**276,792,554**	**281,737,245**	**291,660,024**	**286,371,658**	**9,579,104**	**4,634,413**
BB	Equipment	2,000,000	2,000,000	575,000	575,000	(1,425,000)	(1,425,000)
CC	Materials & Supplies	2,650,339	2,650,339	1,933,468	1,933,468	(716,871)	(716,871)
DD	General Expenses	2,562,001	2,562,001	2,500,000	663,000	(1,899,001)	(1,899,001)
DE	Contractual Services	566,500	566,500	500,000	300,000	(266,500)	(266,500)
DF	Utility Costs	916,535	916,535	985,275	985,275	68,740	68,740
OO	Other Expenses	200,000	400,000	400,000	2,900,000	2,700,000	2,500,000
	Total OTPS	**8,895,375**	**9,095,375**	**6,893,743**	**7,356,743**	**(1,538,632)**	**(1,738,632)**
HD	Debt Svc Chargebacks	893,430	943,648	0	845,394	(48,036)	(98,254)
HF	Inter-Dept. Charges	19,192,223	19,192,223	0	18,564,297	(627,926)	(627,926)
	Grand Total	**305,773,582**	**310,968,491**	**298,553,767**	**313,138,092**	**7,364,510**	**2,169,601**

Inter-departmental charges, has 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 the District fund. District will be responsible for such charges as printing, information technology, building occupancy and purchasing. The two largest are workers compensation and indirect charges, $3.2 million and $11 million respectively. A corresponding revenue gets booked to the department providing the service as an inter-departmental charge (BJ). With that in mind it appears that the 2005 proposed OTPS budget is $1.7 million less than 2004 projections. One of the largest decreases, $1.4 million, comes in equipment which reflects the purchase of the remainder of the police vehicles ordered in 2003. The $700,000 decrease in materials & supplies reflects the transfer of the auto parts expense into fleet management. General expenses is going down $1.9 million due to the transfer of fleet management costs and the transfer of about $1.4 million in uniform and equipment allowance to salaries. These reductions are offset somewhat by the $2.7 million increase in other expenses, $2.5 million of which is scheduled to fund unidentified police initiatives in the districts.

Police District
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Uniform	1,544	1,626	2,427	1,581	37	(45)
Civilian	74	81	102	94	20	13
Full-time Staffing	1,618	1,707	2,529	1,675	57	(32)
Part-time and Seasonal	446	455	458	459	13	4

The District's full time uniform staff is scheduled to increase by 37 over the 2004 Adopted budget but decline by 45 when compared to September actuals. This is in keeping with the Administration's commitment to stabilize uniform headcount at 2,650. Since Headquarters is funded for 1,074 sworn personnel, the Police Department's budget will only accommodate 1,581 heads for which there will be sufficient funding in 2005. The 20 more civilians over 2004 (actually more since 20 mechanics and two supervisors were transferred into fleet management) are also in line with the civilianization initiative. Included in the additional 20 are six more Parking Enforcement Aides, which will have a positive impact on TPVA revenue by generating more parking tickets, and eight Police Service Aide Trainees which are a part of the civilianization effort.

DEPARTMENT OF PROBATION

While adult related activity in the Probation Department has been decreasing during 2004, Juvenile related activity has been increasing with the exception of juvenile delinquents intake. Investigations are anticipated to decrease by about 9.9% in 2004 from 2003 and supervisions are expected to decrease from 2003 by 1.4%. Pre-trial intakes are projected to decrease slightly in 2004. Juvenile Intake of Persons in Need of Supervision (PINS) is projected to increase in 2004 by 8.5%. The PINS supervision is anticipated to increase by about 11.4% in 2004. Juvenile Delinquents intake is expected to decrease by about 5.2% in 2004 and the Juvenile Delinquents supervision is projected to increase in 2004 by 27.3%.

ACTIVITY INDICATORS

INDICATOR	ACTUAL 2002	ACTUAL 2003	ESTIMATED 2004
Investigations	4,906	5,110	4,606
Supervision	7,452	7,371	7,266
Pre-Trial/Intake	13,921	13,609	13,502
Juvenile Intake - PINS*	1,269	1,464	1,588
Juvenile Intake - Juvenile Delinquents	933	1,059	1,004
Juvenile Supervision - PINS*	181	201	224
Juvenile Supervision - Juvenile Delinquents	240	260	331

* Persons in need of supervision

Source: Probation Department

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BH	Department Revenue	1,235,000	1,235,000	1,400,000	1,400,000	165,000	165,000
BJ	Inter-Dept. Revenue	0	1,240,532	0	835,375	835,375	(405,157)
SA	State Aid	4,253,324	4,253,324	4,036,658	4,036,658	(216,666)	(216,666)
	Grand Total	**5,488,324**	**6,728,856**	**5,436,658**	**6,272,033**	**783,709**	**(456,823)**

The FY 05 revenue budget is $783,709 or 14.3% greater than the FY 04 budget, but $456,823 or 6.8% less than the FY 04 projected actual. The agency generates department revenues primarily from charges to clients for supervision and other administration fees to defray the costs associated with their supervision. The budget for departmental revenues has increased by $165,000 or 13.4% from the FY 04 projected actual and budget to reflect the 2004 actual which is at currently at $1.4 million.

State aid is budgeted to decrease from the 2004 budget and the 2004 projected actual by $216,666 or 5.1%. Funds from the State have been cut by about 5% due to the new State budget. The increase in salaries by 8.5% from the FY 04 projected may offset some of this reduction, but it is difficult to tell as the amount the department receives is dependant on the reimbursement submitted by all counties in New York. This is because Nassau County will receive a portion of the total amount given by the State relative to the requests of all other counties.

EXPENSE BUDGET
BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	16,740,442	16,843,442	20,048,014	18,268,500	1,528,058	1,425,058
BB	Equipment	24,600	9,600	24,908	24,908	308	15,308
DD	General Expenses	302,597	302,597	278,113	192,898	(109,699)	(109,699)
DE	Contractual Services	50,000	50,000	101,250	101,250	51,250	51,250
	Total OTPS	**377,197**	**362,197**	**404,271**	**319,056**	**(58,141)**	**(43,141)**
HF	Inter-Dept. Charges	1,826,288	1,826,288	0	1,892,632	66,344	66,344
	Grand Total	**18,943,927**	**19,031,927**	**20,452,285**	**20,480,188**	**1,536,261**	**1,448,261**

Salaries are increasing from the FY 04 budget by $1.5 million or 9.1% and increasing by $1.4 million or 8.5% from the FY 04 projected. This is due to the addition of 26 full-time positions over the September 2004 actual. The first group to be hired is currently still being investigated but is expected to begin November 2004. This group will consist of 11 officers with one Accountant III starting at the end of September and another administrative position yet to be determined. A second group of officers have been given conditional offers of employment and many of their investigations have begun. These additions will be partially offset by an anticipated attrition of between 11-15 employees. About 54% of the Probation Officers and Supervisors will be eligible to retire by the end of 2005 since Probation Officers are eligible to retire after 25 years of service regardless of age. The Department's administration has put together a hiring plan to try and deal with this situation but even if the headcount is increased it takes two years for a probation officer to complete training and maintain a full case load. The Administration has stated in their Summary of the Fiscal 2005 Proposed Budget that they would consider hiring above the budget if the need arises and the funding become available. There has also been a problem getting people to take the test who are viable candidates. The Administration is assembling a recruitment team to try to get more people to take the test.

The Administration is currently doing a review of the department to find efficiencies and operational improvements that need to be made. Technology is being looked at to try to help increase the efficiency of the officers. Kiosks are being considered to help keep track of probationers without the need for face to face contact with a Probation Officer. Although this system may be used to increase supervision for many probationers, it has also been criticized for being used to decrease face to face visits, which provide significantly better supervision. Voice mail is in the process of being provided to the department and personal communication devices have been issued to field officers and supervisors. Training efficiency is also expected to improve with the sending of five employees to a class so they can instruct other officers. This will allow training to take place on site instead of outside the facility.

Also increasing the salary expense is the CSEA contract increase which provides a 3.5% increase in January 2005. Step increases are also included.

Not including the inter-departmental charges, OTPS charges are decreasing in the FY 05 budget by $58,141 or 15.4% from the FY 04 budget and by $43,141 or 11.9% from the FY 04 projected actual. General expenses are decreasing from the projected actual primarily due to the transfer of $85,215 in supper money into the salaries. Additional costs for technological and other office expenses requested for FY 05 will be purchased in FY 04 instead, further reducing expenses in 2005.

Inter-departmental charges identify and allocate the costs incurred by other departments on behalf of the Probation Department. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Inter-departmental charges are budgeted at $1.9 million in 2005 primarily for IT and telecommunications ($800,190) and building occupancy ($757,043) charges. Building occupancy charges are increasing by $101,999 in FY 05 due to an anticipated increase in utilities.

Department of Probation
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	229	218	269	244	15	26
Part-time and Seasonal	7	13	13	13	6	0

The number of budgeted full-time positions has been increased by 15 positions from the FY 04 budget. The FY 05 budget is increasing by 26 full-time positions over the September actual and the Department is currently in the process of hiring up. Part-time budgeted positions have been increased by 6 positions from the FY 04 budget to reflect the September actual.

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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	413,763	413,935	447,119	412,364	(1,399)	(1,571)
BB	Equipment	2,500	1,000	2,531	2,531	31	1,531
CC	Material & Supplies	2,500	2,500	2,531	2,531	31	31
DD	General Expenses	3,000	3,000	3,038	3,038	38	38
DE	Contractual Services	7,000	7,000	7,175	7,175	175	175
	Total OTPS	**15,000**	**13,500**	**15,275**	**15,275**	**275**	**1,775**
HF	Inter-Dept. Charges	56,820	56,820	0	70,453	13,633	13,633
	Grand Total	**485,583**	**484,255**	**462,394**	**498,092**	**12,509**	**13,837**

FY 05 salaries remain close to the FY 04 budget and projection. The budget is $35,698 under the departmental request of $447,119 because the department did not receive their request for a third Accounting Assistant II. The salary budget in FY 05 should be sufficient if the headcount remains at seven full-time positions.

Other than personal services remains close to the FY 04 budget at $15,000 due to minimal increases in equipment, materials and supplies, general expenses and contractual services. These expenses are for X-ray and film supplies, general office supplies, books and periodicals, etc. A portion of expenses in general expenses has been budgeted to obtain a General Bond to be in accordance with Surrogate Court Procedures Act Section 1203. The $7,000 budgeted in contractual services is to cover annual audit expenses.

The department has also stressed the need for computer software called Computrust for the accounting of assets. This software is used in many other local municipalities. Currently the department relies on excel spreadsheets and does not have the proper internal controls that the software could provide.

Inter-departmental charges are increasing by $14,000 to $70,453 in FY 05. The increase can be found in printing charges, information technology and telecommunication charges, purchasing charges, fleet maintenance charges, building occupancy charges and gasoline charges. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Public Administrator. Corresponding revenue gets booked to the department providing service as an inter-departmental revenue.

The department is currently leasing a van, which costs approximately $470 per month, however, it appears that this amount has been left out of the FY 05 adopted budget. Therefore, the OTPS budget may fall short approximately $5,600 for FY 05.

Public Administrator
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	7	7	8	7	0	0

Budgeted full-time headcount remains unchanged from FY 04. The department requested an additional Accounting Assistant II but did not receive the funding in the FY 05 budget. Accounting Assistant's are responsible for the closing out of estates as well as the collection of commission from the estate. The additional position would facilitate the collection process of estates resulting from quicker collection of revenue. Also as the caseload increases with inadequate staffing, the department becomes at risk of accounting errors.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BH Department Revenues	260,000	260,000	285,000	285,000	25,000	25,000

The proposed revenue budget is increasing by 10% or $25,000 to $285,000 in FY 05. The department anticipated additional revenue would be generated from the work performed from the additional full-time position requested. However, since the department did not received the additional position, the departmental no longer anticipates an increase in the revenue. Public Administrator fees are based upon a percentage of the gross assets of the estates over which the Public Administrator has fiduciary responsibilities. The collection of fees is authorized under sections 2307 and 1207-4 of the Surrogate's Court Procedures Act. Revenue can vary on any given year based on the number of estates the County administrates, therefore revenue can be difficult to project. For FY 04 approximately $202,000 has been collected in revenue through September. For FY 03 the department earned $216,000 in revenue for the year.

DEPARTMENT OF PUBLIC WORKS (GENERAL FUND)

The proposed FY 05 Public Works budget has been restructured from the current ten control centers into three. These are the Division of Administration, the Division of Engineering and the Division of Operations. The reorganization includes the influx of $1.2 million from the Police Department and $5.2 million from the Parks Department for facilities maintenance of Police and Parks buildings. The eliminated control centers for groundwater remediation, snow removal, facilities maintenance, water supply, sanitation and traffic maintenance have been reclassified under the three new control centers. The control center for Fleet Maintenance has been transferred into the proposed Department of Fleet Management. However, the proposed local law to create the Department of Fleet Management failed in committee, so this control center will have to be transferred back into Public Works. Finally the Public Works department transferred pools and rinks maintenance staff into the Parks Department.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 04	Executive FY 04	Variance Exec. vs Adopted 03	Variance Exec. vs. Request
00	Administration	5,838,775	4,397,065	11,611,369	5,772,594	7,214,304
01	Engineering	17,231,453	18,146,923	18,147,823	916,370	900
02	Operations	8,711,001	50,339,912	48,561,085	39,850,084	(1,778,827)
03	Groundwater Remediations	908,130	0	0	(908,130)	0
04	Snow Removal	1,450,000	0	0	(1,450,000)	0
06	Facilities Maintenance	29,897,015	0	0	(29,897,015)	0
07	Water Supply	4,819,137	0	0	(4,819,137)	0
08	Sanitation	3,621,943	0	0	(3,621,943)	0
09	Fleet Maintenance	3,605,658	0	0	(3,605,658)	0
12	Traffic Maintenance	1,229,087	0	0	(1,229,087)	0
	Total	**77,312,199**	**72,883,900**	**78,320,277**	**1,008,078**	**5,436,377**

The above chart reflects expenses by control center, which are rising by 1%. Administrative and clerical titles from last year's various control centers have been reclassified under the division of Administration. As a result of the restructuring, the Administration budget has doubled from $5.8 million in FY 04 to $11.6 million in FY 05. Of this $5.8 million, $1 million is from an increase in salaries. Aside from the transfer of administrative titles, the increase in salaries also results from positions that have been added to build up the capital programming unit. The remainder of the Administration increase includes the consolidation of all inter-departmental charges into the Administration control center.

Last year's control center for Highways and Engineering has been restructured as the Division of Engineering. This division has been created to centralize all engineering staff under various functional units. Engineering includes architectural/building design, water/wastewater engineering, groundwater remediation, civil/site engineering, traffic and signal engineering and construction management. Water/wastewater engineering includes expenses that were reflected under last year's control centers for water supply and sanitation. Groundwater remediation has been transferred from its own designated control center last year into Engineering. Civil/site engineering includes the quality control lab. Civil/site is decreasing from $7.3 million because the FY 04 budget had been inflated. Traffic engineering was included in highways and engineering in last year's budget and has been augmented by $4.6 million. Construction management has also been added to engineering and includes expenses from last year's highways and engineering and sanitation control centers.

This restructuring of Engineering has resulted in an increase of 5% or $900,000 from $17.2 million in FY 04 to $18.1 million in FY 05. This increase results from a significant salary increase of $5.3 million which has been mostly offset by a significant decrease of $4.7 million in contractual services. The decrease in contractual services results from miscellaneous contractual services which will be explained further in the report under the expenditure budget.

Operations have been restructured to include facilities management expenses which were located in Building Management last year. Also added to Facilities Management are $5.2 million for parks and buildings and $1.2 million for Police. The budget book labels the responsibility for parks facilities management as facilities management for pools and rinks. This is incorrect since pools and rinks have been shifted back to the Parks department. The correct responsibility center name should be Facilities Management for Parks and Buildings. A budget has also been added for relocations and alterations of facilities management.

Along with facilities management, Operations also includes road maintenance, bridge operations, snow operations, storm water & drug maintenance, mosquito control and traffic maintenance. Road maintenance remains in the same control center as last year and is increasing by $2 million because it is gaining additional maintenance expenses from various control centers in last year's budget. The budget for bridge operations remains steady from last year to this year. Snow removal has been transferred from control center 04 last year into Operations this year and is increasing by $200,000. A significant portion of stormwater & drainage expenses have been transferred from last year's Water Supply control center. Traffic Maintenance has also been transferred from its own control center last year into Operations.

Due to the transfer of Facilities Maintenance, Water Supply and Traffic Maintenance expenses into Operations, the control center's expenses are increasing from $8.7 million in FY 04 to $48.6 million in FY 05.

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
	EXPENSE BUDGET BY OBJECT CLASS						
AA	Salaries	34,768,449	33,721,409	35,694,081	35,216,519	448,070	1,495,110
BB	Equipment	232,565	232,565	365,065	215,065	(17,500)	(17,500)
CC	Materials & Supplies	3,875,497	3,875,497	2,667,680	2,667,680	(1,207,817)	(1,207,817)
DD	General Expenses	837,294	837,294	970,992	391,627	(445,667)	(445,667)
DE	Contractual Services	13,258,655	13,258,655	8,416,954	8,346,954	(4,911,701)	(4,911,701)
DF	Utility Costs	19,691,419	22,144,903	24,769,128	24,268,128	4,576,709	2,123,225
	Total OTPS	**37,895,430**	**40,348,914**	**37,189,819**	**35,889,454**	**(2,005,976)**	**(4,459,460)**
HF	Inter-Dept. Charges	4,648,320	4,648,320	0	7,214,304	2,565,984	2,565,984
	Grand Total	**77,312,199**	**78,718,643**	**72,883,900**	**78,320,277**	**1,008,078**	**(398,366)**

The FY 05 salary budget remains flat with a 1% variance or $450,000 increase from FY 04. The FY 04 projection is $33.7 million or $1.5 million under the FY 05 budget. Since the full time headcount in the FY 05 budget is decreasing by 53 positions, the salaries funding appears more than sufficient.

Significant variances also appear in materials and supplies, general expenses, contractual services, utility costs and inter-departmental charges. Material and supplies are decreasing by $1.2 million which is mostly due to the transfer of fuel and vehicle parts into the new department for Fleet Maintenance. However since the proposed local law to create the Department of Fleet Management failed in committee, these expenses will have to be transferred back into Public Works. General expenses are decreasing by $446,000 due mostly to a reduction of general expenses for Facilities Maintenance and also due to the transfer of Fleet Maintenance.

Contractual services are decreasing by $4.9 million from $13.3 million in FY 04 to $8.4 million in FY 05. This is mostly due to the decrease of miscellaneous contractual services under Engineering. The decrease is due to contractual expenses in FY 04 associated with the building consolidation plan that will not be needed in next year's budget. Contractual services in the FY 05 budget include three annual traffic contracts for computer maintenance, signal maintenance and street and light maintenance.

Utility costs are rising by $4.6 million due to the increased cost of oil and natural gas as well as additional consumption from the occupation of 101 County Seat Drive and swing space at King Kullen. The majority of the increase can be found in light, power and water. Approximately $15.5 million has been budgeted for light, power and water which increased from $11.6 million budgeted in FY 04. A big portion of this increase is due to a one time savings under the FY 04 budget of $3 million. This savings occurred as a result of the County switching to balanced billing accounting with LIPA. Without the savings in FY 04, the variance from the FY 04 budget for light, power and water compared to FY 05 would not be as sizeable. Utility costs also include a $5 million charge for Tri-gen Nassau district energy which includes energy costs for the college. The Tri-gen expense had not been included in last year's budget however the expense is included in the FY 04 projection.

Interdepartmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Public Works. Corresponding revenue gets booked to the department providing service as an inter-departmental revenue. Inter-departmental charges have grown significantly from $4.6 million in FY 04 to $7.2 million in FY 05. The increase is due to increased costs for fleet maintenance charges, building occupancy charges, as well as new charges for police district charges, and County Attorney charges. Interdepartmental fleet charges are increasing due to the transfer of fleet maintenance from the Public Works department into a new proposed department. Building occupancy charges are increasing due to increased utility costs paid by the department. Police District charges include security posts at the Executive and Legislative Complex. Finally County Attorney charges have been added for the assignment of a County Attorney to the department.

Since the proposed local law to create the Department of Fleet Management failed in committee, interdepartmental charges for fleet should be reduced since the expenses will be transferred back into the Public Works department.

Department of Public Works Staffing Analysis							
		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC	**Full-time Staffing**						
00	Administration	40	22	51	51	11	29
01	Highways and Engineering	88	93	155	155	67	62
02	Roads & Bridge Maintenance	136	135	360	322	186	187
03	Fireman Training Remediation	2	3	0	0	(2)	(3)
05	Buildings	0	18	0	0	0	(18)
06	Building Management	126	132	0	0	(126)	(132)
07	Water Supply	63	64	0	0	(63)	(64)
08	Sanitation	58	49	0	0	(58)	(49)
09	Fleet Maintenance	46	35	0	0	(46)	(35)
12	Traffic Maintenance	22	0	0	0	(22)	0
Total Full-time		**581**	**551**	**566**	**528**	**(53)**	**(23)**
CC	**Part-time and Seasonal**						
00	Administration	13	15	26	26	13	11
01	Highways and Engineering	1	5	1	1	0	(4)
02	Roads & Bridge Maintenance	36	38	162	162	126	124
05	Buildings	0	0	0	0	0	0
06	Building Management	47	74	0	0	(47)	(74)
07	Water Supply	1	8	0	0	(1)	(8)
09	Fleet Maintenance	0	16	0	0	0	(16)
Total Part-time and Seasonal		**98**	**156**	**189**	**189**	**91**	**33**

As seen in the above chart, full-time staffing in Public Works is decreasing by 53 positions from 581 in FY 04 to 528 in FY 05. Part-time and seasonal positions are increasing from 98 positions in FY 04 to 189 in FY 05. Part time and seasonal positions were underestimated last year for the FY 04 budget. The actual FY 04 headcount for part-time and seasonal staff is currently over the FY 04 budget by 58 positions. The FY 05 budget more accurately reflects the number of seasonal positions needed.

Various positions have been shifted within control centers due to the reorganization of expenses. The department has inherited employees from the Department of Parks and from the Police Department. The department has also transferred positions into the Parks Department as well as to the proposed Department of Fleet Management. Considering transfers into and out of the department, Public Works is actually losing 37 full time positions. The chart below displays the number of transfer positions into and out of the department:

Department of Public Works Staffing Transfers	Full-time Positions
FY 04 Adopted Budget	581
Facilities Management Unit - Parks	26
Facilities Management Unit - Police	15
Pools and Rinks Maintenance	(11)
Fleet Management	(46)
Subtotal	565
FY 05 Executive Budget	528
Difference from FY 05 Executive Budget	37

However, the proposed local law to create the Department of Fleet Management failed in committee, so the 46 positions for Fleet Management will have to be transferred back into Public Works.

Subsequent to the budget submission the department became aware that an additional three full-time and one part time position should have been included in the transfer of pools and rinks maintenance staff to the Parks Department. A technical adjustment will be made to transfer these positions to Parks, as a result, the FY 05 headcount will increase to 531 full time positions and 92 part-time and seasonal positions.

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 05 budget and baseline:

DPW Chargebacks (PPPW01) - $704,150

Capital backcharges are used to allocate County personnel and other costs to capital projects. The Department of Public Works participates in the capital planning and project implementation process involving County-owned roads, buildings, etc. By their nature, most capital projects create an asset of value with a useful life beyond one year. As such, departmental costs related to this process are re-allocated and charged back to the various funding sources in order to match the useful lives of the assets with the costs on an ongoing, long-term basis.

The revenue impact has increased from $500,000 last year to $704,150 in FY 05. The department plans to build up staff under the capital project planning section. Salaries of the additional staff will be capitalized and therefore can increase savings. However the overall Public Works staff is decreasing and as it does it will become less likely to meet the total savings under this initiative.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BC	Permits and Licenses	376,000	376,000	390,000	390,000	14,000	14,000
BH	Department Revenues	1,736,600	910,000	870,000	870,000	(866,600)	(40,000)
BI	Capital Backcharges	10,771,057	10,771,057	3,440,000	5,440,000	(5,331,057)	(5,331,057)
BJ	Interdepartmental Revenues	22,260,027	22,260,027	0	16,528,245	(5,731,782)	(5,731,782)
BW	Interfund Charges Revenue	4,870,170	4,870,170	0	5,574,320	704,150	704,150
FA	Federal Aid - Reimbursable	0	415,685	0	0	0	(415,685)
SA	State Aid - Reimbursable	55,000	224,072	55,000	55,000	0	(169,072)
	Grand Total	**40,068,854**	**39,827,011**	**4,755,000**	**28,857,565**	**(11,211,289)**	**(10,969,446)**

The FY 04 revenue budget for the department is decreasing significantly by $11.2 million from $40.1 million in FY 04 to $28.9 million. This loss results from an $867,000 decline in department revenues, $5.3 million reduction in capital backcharges and $5.7 decrease in interdepartmental charges. The decline from department revenues results from the loss of revenue under miscellaneous receipts in Facilities Management. Miscellaneous receipts include backcharges from the US Navy in Mitchell Field as well as permit inspections. Last year’s budget for miscellaneous receipts had been over-estimated, therefore the FY 04 projection has been revised down from the budget of $1.7 million to $910,000.

The reduction in capital backcharges results from a one time chargeback included in the FY 04 budget for building renovation. The FY 05 revenue budget for capital backcharges is closer to revenue budgets in years prior to FY 04.

The $16.5 million in interdepartmental charges is related to facilities management. This amount is currently reflected in the wrong control center and should be displayed under the control center for Operations which contains the facility management budget. Interdepartmental revenue accounts for the costs incurred by Public Works 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 $4.8 million in interfund revenue can be found in facilities management for indirect recovery charges from other funds. The $4.8 million is a reduction from the FY 04 budget of $5.6 million. This amount includes revenue from Nassau Community College for utility costs paid on behalf of the Public Works Department.

State aid remains unchanged from FY 04 at $55,000. The state aid budget includes reimbursement from the State for mosquito control. The FY 04 projection includes $224,000 due to additional reimbursement generated for DPW activities taken in FY 03 relating to mosquito control.

Out-Year Initiatives

ID#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
PPWP01	Advertising	$0	$250,000	$500,000	$750,000
PPWP02	Energy Conservation	$0	$1,000,000	$2,000,000	$2,000,000

The **Advertising** initiative anticipates income of $250,000 in FY 06, $500,000 in FY 07 and $750,000 in FY 08 by generating revenue from advertising various assets such as roadways, buildings and vehicles as media outlets. The Pubic Works participation in generating revenue under this initiative is very minimal. The majority of revenue will mostly like come from advertising assets in various park facilities.

The **Energy conservation** initiative involves the development of an energy conservation plan in order to reduce energy usage. The savings are to be derived from the installation of Energy Management Control Systems in existing facilities and selected mechanical upgrades of existing facilities. The County is working with NYPA (NY Power Authority) Energy Services Programs to work on this project. Since the County currently spends $22 million annually on public utilities, energy usage must be reduced by 4.5% to achieve the new savings estimate. The savings is a small percentage of the total amount expended on energy usage, therefore savings in FY 06 may be achievable. However as the additional savings grow in later years, savings will be harder to attain.

The Administration has also taken measures in FY 04 to produce energy savings. For example, the County started paying the utility bills on time electronically. In the past, seven separate utility bills were sent out to seven separate County departments which would pay them separately with a 3 to 4 month lag. This process resulted in the County paying a couple million a year in late fees. Secondly, the fuel line represents the cost of heating oil. That line has gone down since the Administration has implemented better procurement practices. In the past, DPW would wait until the tank went dry and then fill it up completely when needed. However, this practice meant that they were filling up the tank at peak demand prices. Now they are instructed to ensure that the tanks are filled in the summer, during the off-season to ensure procurement at the lowest price. Third, the County has stopped paying for facilities such as the hospital and nursing home. Fourth, a system has been worked out with LIPA such that LIPA can shut down the County systems during off-peak hours. Lastly, even though the County still has to pay the LIPA fuel surcharge, which could be hefty, savings may be derived from shutting down the Old Courthouse in January. The Old Courthouse is not energy efficient and therefore costs a lot in heating.

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. This is accomplished by the determination of applicable procurement procedures, price and vendor selections, placement of purchase orders and procurement contract administration.

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 05 budget and baseline:

E-Government (BFPR03) $250,000
The **on-line vendor bid notification** initiative will transition the County from paper based bidding for goods and services, by establishing an e-mail subscription service through which qualified registered vendors could be informed of upcoming bid opportunities. The County's web site will contain a link to the registration form. This initiative's planned implementation is for the fourth quarter of 2004. To attain the revenue target of $250,000 would require 2,500 vendors to pay a registration fee of $100. This goal appears to be optimistic based on the number of active vendors in the County's financial system. Regardless of the amount of revenue collected, the Office Purchasing will benefit by having a detailed vendor database upon which to draw.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BF Rents & Recoveries	30,000	30,000	30,000	30,000	0	0
BH Departmental Revenues	100	3,783	253,783	253,783	253,683	250,000
BJ Interdepartmental Revenues	1,686,558	1,686,558	0	2,202,218	515,660	515,660
Total	**1,716,658**	**1,720,341**	**283,783**	**2,486,001**	**769,343**	**765,660**

The revenue budget has been increased by $769,343, or 44.8%. Fees to be charged in relation to the E-Government initiative are responsible for the anticipated increase of $250,000 in departmental revenues. In the current year this revenue source was budgeted only for fees collected from vendors who are charged for copies of bid documents.

Interdepartmental revenues reimburses Purchasing for services, supplies, and materials provided to other County departments. A corresponding expense gets booked to the budget of the user department as an inter-departmental charge (HF). The Administration has implemented interdepartmental service agreements (ISA's) between departments to more fully track and control these budgetary components. Purchasing is charging agencies for procurement services based upon the number of purchase orders they generate. Its largest customers include Public Works, with expenses of $686,000, Police Department ($353,000), Health ($227,000) and Parks ($204,000).

Rents and recoveries is made up of income from the sale of surplus County property. In FY 03, $67,700 was collected for this revenue source.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	1,265,065	1,272,325	1,397,240	1,316,287	51,222	43,962
BB	Equipment	6,500	5,200	103,200	3,040	(3,460)	(2,160)
CC	Materials & Supplies	5,000	3,100	1,000	950	(4,050)	(2,150)
DD	General Expenses	18,900	8,800	20,000	19,800	900	11,000
	Total OTPS	**30,400**	**17,100**	**124,200**	**23,790**	**(6,610)**	**6,690**
HF	Inter-Depart Charges	376,718	376,718	0	463,741	87,023	87,023
	Grand Total	**1,672,183**	**1,666,143**	**1,521,440**	**1,803,818**	**131,635**	**137,675**

The office's proposed OTPS budget is 21.7% less than in the current year. The requested equipment budget included $100,000 for software systems related to a case management system to route and track contracts. This item was not included in the Executive budget. Computer technology funding was removed from the departmental allocations and centrally budgeted in IT.

Inter-departmental charges have been 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 include $181,000 for indirect charges, $131,000 for information technology and telecommunications, $70,000 for building occupancy, and $45,000 for printing.

The proposed budget increases salaries by increasing by 4.0%. CSEA employees will receive a step increase and a salary adjustment of 3.5% as of January 1, 2005. The office's budgeted headcount remains unchanged. A Financial Systems Administrator, with a salary of $60,000, had been requested and denied. The employee in this position would have been assigned to the upgrade of AdPics, the purchasing component of the County's financial system.

Purchasing Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	23	23	24	23	0	0

OFFICE OF REAL ESTATE SERVICES

In FY 04 in order to facilitate the "No Wrong Door Policy", the County plans to move the Health and Human Services (HHS) vertical into a leased building on Charles Lindbergh Boulevard. The lease payments are being shown as an expense to the Office of Real Estate Services and then charged back to the affected departments on the interdepartmental charges line (HF). These lease payments and chargebacks are causing the Real Estate department's expenses and revenues to increase. The Department's headcount is increasing to help facilitate the County's electronic data management program.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	707,375	773,765	891,284	891,284	183,909	117,519
CC	Materials & Supplies	5,000	3,200	11,063	11,063	6,063	7,863
DD	General Expenses	125,000	77,000	128,125	128,125	3,125	51,125
93	Insurance on Bldgs	250,000	211,000	1,000,000	1,000,000	750,000	789,000
94	Rent	4,700,000	6,275,000	12,847,013	12,847,013	8,147,013	6,572,013
	Total OTPS	**5,080,000**	**6,566,200**	**13,986,201**	**13,986,201**	**8,906,201**	**7,420,001**
HF	Inter-Dept. Charges	264,130	264,130	0	623,384	359,254	359,254
	Grand Total	**6,051,505**	**7,604,095**	**14,877,485**	**15,500,869**	**9,449,364**	**7,896,774**

The total FY 05 Real Estate expenses are increasing by $9.4 million. All expense lines are budgeted to increase in FY 05. The rent line is registering the greatest dollar value increase in the FY 05 proposed budget. This is a result of the HHS lease mentioned previously. Also included in the rent line is the transfer and consolidation of all NUMC rents. The insurance on buildings line is recording the greatest percentage change. Like FY 04, $250,000 of the $1 million budgeted for building insurance will be used to purchase hull and liability insurance for helicopters and three crime policies. Two of the three crime policies cover the tax collectors in the Cities of Glen Cove and Long Beach. The third crime policy insures the County against employee dishonesty/crime in scheduled positions. The remainder will be used to purchase commercial property insurance for all County buildings in FY 05. The last County building property insurance policy expired in October 2002. At the time of expiration no new policy was purchased since it would have cost $1.5 million for less coverage. Since then no policy quotes have been received. It is unclear how much coverage will be purchased and if the budgeted amount will be sufficient to cover all County buildings since the budgeted amount is less than the County's last quoted rate in 2002. This reverses the previous decision to self-insure due to the high cost of property insurance on governmental buildings in the metropolitan area.

The salary line is increasing to fund CSEA increases and one additional position. A Director of Electronic Data Management was hired to help implement the County-wide electronic data management program. In order to achieve maximum efficiencies in the building consolidation program and avoid paying for wasted space, all departments are attempting to electronically store as much information as possible to reduce their space requirements and have quicker access to information. Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the Real Estate Services Department. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Real Estate's interdepartmental charges are increasing due to higher building occupancy costs. Included in their building occupancy costs are public safety charges for the security of all County buildings.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance Exec. Vs. Adopted 04	Variance Exec. Vs. Request
10	Real Estate Services	5,904,005	14,436,922	15,060,306	9,156,301	623,384
20	RE Services - Ordinance	147,500	440,563	440,563	293,063	0
	Total	**6,051,505**	**14,877,485**	**15,500,869**	**9,449,364**	**623,384**

The above chart shows the Office expense budget by control center. A second control center was added to the FY 04 budget to separate the ordinance employees expenses from those of the non-ordinance employees. The inter-departmental charges are budgeted in the Real Estate Services control center.

Real Estate Planning and Development Staffing Analysis

		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC	**Full-time Staffing**						
10	Real Estate Services	9	8	7	7	(2)	(1)
20	RE Services - Ordinance	2	4	5	5	3	1
	Total Full-time	**11**	**12**	**12**	**12**	**1**	**0**
CC	**Part-time Staffing**						
10	Real Estate Services	0	0	0	0	0	0
20	RE Services - Ordinance	0	1	0	0	0	(1)
	Total Part-time	**0**	**1**	**0**	**0**	**0**	**(1)**

Total Real Estate Services full-time headcount is budgeted to increase by 1 from the FY 04 adopted. Compared to the September 2004 actual, Departmental headcount is unchanged. This is result of the previously mentioned staffing increase to facilitate the electronic data management initiative combined with the decision to not replace the retiring Superintendent of Heating and Ventilation. The increase is shown in the RE Services – Ordinance control center. The seasonal employee was added to payroll to assist in the electronic data management program. The employee was not budgeted for in FY 05 since the position is considered temporary. The salary line seems sufficient to fund the 12 full-time employees, however funding may be tight depending on how long the seasonal employee remains on payroll.

REVENUE BUDGET						
Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BF Rents & Recoveries	7,449,753	7,449,753	7,909,433	7,909,433	459,680	459,680
BH Dept Revenues	75,600	75,600	75,600	75,600	0	0
BJ Interdept Revenues	5,227,710	6,767,085	0	10,862,389	5,634,679	4,095,304
SA State Aid	316,000	316,000	359,000	359,000	43,000	43,000
Grand Total	**13,069,063**	**14,608,438**	**8,344,033**	**19,206,422**	**6,137,359**	**4,597,984**

The total FY 05 Real Estate revenue budget is increasing by 47% from the FY 04 level. Most of the increase is attributable to the interdepartmental revenue category. As mentioned previously, this line represents the rental payments received for the departments located in the leased building on Charles Lindbergh Boulevard. The rents & 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.

Coliseum concessions were expected to increase 10.2% as a result of anticipated increased economic activity. The FY 04 Coliseum concession revenues will fall short of budget if the labor issues are not resolved with the National Hockey League quickly. According to the department a significant percentage of Coliseum concession revenues are collected from hockey games. It will be difficult for the Coliseum to replace the missing dates since they can not plan too far into the future in case the lockout ends and the hockey season resumes.[1] The increase in state aid line covers reimbursement for a portion of the bond interest expense incurred by the County for construction at the various Court facilities.

BF Rents & Recoveries				
Sub-Object		2004 Adopted	2005 Proposed	Variance Proposed Vs. Adopted
707	Rent County Properties	380,992	320,065	(60,927)
716	Coliseum Utilities	1,679,918	1,740,331	60,413
717	Coliseum Rental	293,778	303,215	9,437
718	Coliseum Concessions	321,256	354,000	32,744
720	Rental Mitchell Field Property	4,773,809	5,191,822	418,013
Total		**7,449,753**	**7,909,433**	**459,680**

[1] "NHL Lockout Hurting Nassau County Businesses", 1010WINS.com, September 17, 2004.

Rent from County Properties is decreasing since the lease between the County and BOCES expired. The chart below details the properties on which the County collects rent.

Rent from County Property

Tenant Name	2005 Annual Rent
Bell Merrick Dodge	6,900
Channel 21 (ANNUAL)	0
City of Glen Cove (ANNUAL)	12
Civil Air Patrol	12
Civil Service Employees Association	28,800
Coleman Country Day Inc.	1,200
Concord Drive-In Cleaners	50
Crestwood Country Day School	1,800
Detective's Association (D.A.I.)	16,032
Inc.Village of Valley Stream (ANNUAL)	1
Keyspan- Real Estate Department	113,705
Lakeside Inn Inc.	4,896
Lakeview Public Library	0
LIRR - Real Estate Dept	100
Long Island Party Rentals	90,000
Long Island Water	608
Massapequa Water District	7
New York Water Service Corp.	5,440
New York Telephone	0
Roosevelt Board of Education	200
Superior Officers Assoc.(SOA)	18,000
Sutton & Edwards Management, LLC	600
Ten Washington Realty Assoc.	2,837
The Long Island Council of Churches	9,720
The Woods Knife Corp. (ANNUAL)	120
Urology Associates, P.C.	0
Village of Hempstead	12
Village of Mineola	12
Village of Russell Gardens (ANNUAL)	50
Volunteer Fire Department	120
Wantagh Fire District	1,300
Wantagh Racquet Sport (ANNUAL)	17,400
Westbury Medical (ANNUAL)	120
Woodcrest Club (ANNUAL)	12
TOTAL Rent County Properties	**320,065**

Source: Real Estate Services

Recoveries from Coliseum utilities, Coliseum rentals and Mitchell Field rentals are increasing by contractually agreed upon amounts. The chart below details the Mitchell Field properties from which the County collects rent.

Rental Mitchell Field Property

Tenant Name	2005 Annual Rent
Atria East Associates	85,309
Bergwall Productions, Inc.	24,183
Coliseum Hotel Associates	256,356
Coliseum Hotel Associates (Parcel I)	93,279
Coliseum Hotel Associates (Parcel II)	91,960
Concept 400 Realty	105,000
Fortunoff	88,660
Galaxy L.I. Associates LLC	728,222
HPI Partners One, LLP	133,148
JP Morgan Chase Bank	119,302
Lighthouse 1600, LLC	413,728
Meadowbrook Plaza South	60,030
Nassau District Energy Group (TRIGEN)	837,168
Oak Realty	25,240
Office Center at Mitchel Field	139,367
Reckson Assoc (HMCC)	159,687
Reckson Assoc (OMNI)	534,730
Reckson Operating Partnership	155,620
Reckson Operating Partnership	230,877
Reckson Operating Partnership	183,562
Robert Plan Corp	62,355
Rodolitz (Quentin Roosevelt)	331,864
Rolin Realty	57,862
United Parcel Services	274,313
TOTAL Rental Mitchell Field Property	**5,191,822**

Source: Real Estate Services

The above detail Mitchell Field Properties all are currently operating under 99 year leases. These leases were all signed between 1979 and 1984 and are scheduled to expire between 2078 and 2083.

Real Estate Consolidation Plan

The FY 05 proposed budget does not incorporate any new revenues or expenses for the building consolidation program. Due to the uncertain completion time frame for the consolidation program, efficiency savings and revenues from real estate sales are not currently being budgeted.

The program is moving forward. According to the 2005-2008 Multi-Year Financial Plan book, the County is expecting to receive $89,000 in FY 04 and $51,592,212 in FY 05 from the sale of County-owned property. To date, the County has contracted with firms to provide program management services and architectural services.

The program still seeks to house all County employees by vertical in five campuses.

The Health and Human Services (HHS) Vertical will be located at 60 Charles Lindbergh Boulevard. The County signed a 17-year lease on the property. The plan is to move most HHS employees to the new location in three stages, all scheduled to be completed by March of 2005.

The Government Operations Center will be located in the Old Courthouse house and at one West Street. The Legislature has approved funding for the restoration of the Old Courthouse including the restoration of the building’s Portico, renovation of the entire building, construction of a new Legislative Chamber and renovation of the Central Utility Plant. Renonvations on the Portico will be starting soon. The renovations on the Old Courthouse are expected to begin in January 2005.

According to the plan, the Public Safety Center will be located at the old King Kullen building in New Cassel. Certain Public Safety functions will be located at Grumman Hanger #7 in Bethpage. Support of the user agencies is currently being sought. Once obtained, the Public Safety Center plan will be presented to the Legislature for funding.

Plans for the Courts are still being ironed out. The architects and engineers contracted with by the County have proposed several location ideas, but none has been selected yet.

No firm has been identified to lay out plans for the Correctional Center. The County has initiated the process to retain firms to assist with the development of a master plan to lay out a program for improvements of the County Correctional Center.

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 Clerks office.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries, Wages & Fees	443,099	543,892	705,169	642,186	199,087	98,294
CC	Materials & Supplies	67,000	67,000	80,000	80,000	13,000	13,000
DD	General Expense	74,000	74,000	100,000	100,000	26,000	26,000
DE	Contracual Services	158,500	158,500	423,463	423,463	264,963	264,963
	Total OTPS	**299,500**	**299,500**	**603,463**	**603,463**	**303,963**	**303,963**
HF	Inter-Depart Charges	261,963	261,963	0	551,644	289,681	289,681
	Grand Total	**1,004,562**	**1,105,355**	**1,308,632**	**1,797,293**	**792,731**	**691,938**

The salaries account for Records Management will increase by 45% in FY 05. The increase is the result of the addition of one budgeted full-time position and two part-time positions. Also factoring into the increase is budgeted termination pay and longevity pay at a total cost of $73,632 and $15,680 respectively. These expenses were omitted from the FY 04 budget.

The aggregate OTPS budget will increase $303,963 from FY 04. The contractual services account will increase to $423,463 in FY 05 an enhancement of $264,963 compared to FY 04 budget. These funds will be used to contract with off site records storage facilities. One records storage facility contract will cost $270,000 is for three years, but the entire expense will be encumbered in FY 05. The other OTPS expense accounts will increase by a combined $39,000 in FY 05. The department will use the funds in these accounts to pay for boxes, paper, microfilm, chemical and general office supplies.

Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Records Management. A corresponding 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 at a cost of $432,504 up from $188,905 and charges for printing, graphics and mail at a cost of $93,180 up from $70,173.

Office of Records Management Staffing Analysis	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actuals
Full-time Staffing	9	9	12	10	1	1
Part-time Staffing	0	0	2	2	2	2

The budget for FY 05 adds the position of Archivist to the budget. Under direction, this position is responsible for the development and implementation of systematic archives, records, and micrographics, which will effectively and efficiently serve all County agencies, boards, commissions, authorities, committees, and councils, both appointed and elected.

The proposed budget also adds to the department's budget two part-time clerks at a cost of $32,000.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BJ	Inter-departmental Revenues	795,602	795,602	0	689,658	(105,944)	(105,944)

Interdepartmental revenues reimburses Records Management for services, supplies, and materials provided to other County departments. A corresponding expense gets booked to the budget of the user department as an interdepartmental charge. The Assessment Department accounts for $164,000 of Records Management's revenue. Besides the Health Department which was charged $93,182 the remaining charges are spread among a wide array of County departments.

RESERVES

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

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BF	Rents and Recoveries	12,500,000	12,500,000	12,500,000	12,500,000	0	0

SENIOR CITIZEN AFFAIRS

The Department of Senior Citizen Affairs is the designated Area Agency on Aging in Nassau County, and is the principal agency designated to carry out the provisions of the Older Americans Act of 1965 as amended. The Department receives funding from Federal and State agencies for program planning, administration and operations. The agency is comprised of the following units: 1) Administration, 2) Planning Office, 3) Community Services, 4) Support Services, 5) Special Resources, 6) Office Management, 7) Fiscal Services, 8) Information and Assistance, and 9) Communications.

During the FY 04 budget year the department will be moving from 1550 Franklin Avenue to 60 Charles Lindburg Boulevard. Due to the move the department's general expenses account received a $300,000 board transfer during the current year. This money will be used for a file imaging project. This accounts for the entire cost of this project for the Senior Citizens Department and is not included in the FY 05 budget. Although this project will not begin in 2004, the contract should be approved this year. Also, the Senior Citizens Department's building occupancy charges will increase from $333,438 to $650,910 in FY 05 as a result of the move.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	2,150,572	2,159,928	2,252,677	2,264,392	113,820	104,464
BB	Equipment	6,140	6,045	6,140	6,140	0	95
CC	Materials & Supplies	25,240	13,218	25,240	25,240	0	12,022
DD	General Expenses	24,510	326,917	18,035	6,320	(18,190)	(320,597)
DE	Contractual Services	10,677,917	10,677,917	10,525,154	10,525,154	(152,763)	(152,763)
	Total OTPS	**10,733,807**	**11,024,097**	**10,574,569**	**10,562,854**	**(170,953)**	**(461,243)**
HF	Inter-Depart Charges	680,581	746,790	0	995,277	314,696	248,487
	Grand Total	**13,564,960**	**13,930,815**	**12,827,246**	**13,822,523**	**257,563**	**(108,292)**

The department aggregate expense budget will increase by $257,563 in FY 05. The salaries account will increase by $113,820, this increase will cover the cost of CSEA contractual raises, mileage payments and clothing allowances. Mileage payments and clothing allowances were budgeted in OTPS in FY 04 budget. Inter-departmental charges were budgeted with a 46% increase. These increases will be offset by reductions in general expenses and contractual services. The increase in contractual expenses is directly related to additional reimbursable funds the department will receive in FY 05. The total OTPS expense budget will decrease by $170,953 from FY 04.

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 05 budget and baseline.

HHS Cost Containment (HSHS01) - $396,600

This is part of the County-wide initiative to increase fees by $3.8 million. This initiative will be achieved by cutting contractual service cost. The Administration increased all HHS departments by 2.5% for their contractual service line, but then reduced it to 1.25% and then further asked the departments to see if there were places they could reduce further. The reductions were mainly in Drug and Alcohol, Senior Citizen Affairs and Youth Board.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance Exec. vs Adopted 04	Variance Exec. vs Request
10	Senior Citizens Affairs	2,916,319	2,309,359	3,304,636	388,317	995,277
20	Com. Svcs for Elderly	1,544,015	1,371,643	1,371,643	(172,372)	0
30	Nutrition Program	3,383,864	3,381,608	3,381,608	(2,256)	0
35	Sr. Citizens Comm. Ctr.	93,421	93,421	93,421	0	0
40	Area Agency Title III - B	1,742,991	1,772,181	1,772,181	29,190	0
50	Foster Grandparents	58,748	25,868	25,868	(32,880)	0
60	Extend. In-Home Svcs.	2,651,963	2,662,795	2,662,795	10,832	0
65	SNAP (Nutrition Program)	673,324	690,119	690,119	16,795	0
66	Title IIID/Health Promotion	100,000	97,000	97,000	(3,000)	0
67	Title IIIE/(Care Givers)	400,315	423,252	423,252	22,937	0
	Total	**13,564,960**	**12,827,246**	**13,822,523**	**257,563**	**995,277**

The FY 05 total expense budget for the department of Senior Citizen Affairs is 1.9% more than the FY 04 budget. Senior Citizens Affairs (CC 10) is increased by 13% to cover employee's contractual increases and additional funds needed to cover interdepartmental expenses. The variance of $995,277 when comparing the Executive's proposed budget to the departmental request is present because the department did not submit a projection for interdepartmental expenses for the FY 05 budget.

Community Services for Elderly (CC 20) is decreased by 11%, which is mostly a cut to contractual services and program agencies. The Foster Grandparents (CC 50) program will be reduced by 56% for FY 05. This program places low-income, eligible senior citizens in day care centers, schools, hospitals, etc., to work 20 hours per week, one-on-one with children with special needs. The decrease in FY 05 funding for the Foster Grandparents program is directly related to a deduction of the program funding.

Extended In- Home Services (CC 60), S.N.A.P. Supplemental nutrition assistance program (CC 65) and Title III Care Givers (CC67) increased expenditures are directly related to increased federal funding projected for FY 05.

Department of Senior Citizen Affairs Staffing Analysis	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	35	35	35	35	0	0
Part-time Staffing	3	3	3	3	0	0

Although some positions were moved within the various responsibility centers, the number of budgeted positions both full-time and part-time will remain flat for the FY 05 budget.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BH	Department Revenues	15,000	15,000	15,000	15,000	0	0
BJ	Inter-departmental Revenues	0	0	0	72,277	72,277	72,277
FA	Federal Aid - Reimbursable	5,022,928	5,022,928	5,148,501	5,148,501	125,573	125,573
SA	State Aid - Reimbursable	3,926,605	3,926,605	4,024,770	4,024,770	98,165	98,165
	Grand Total	**8,964,533**	**8,964,533**	**9,188,271**	**9,260,548**	**296,015**	**296,015**

The department receives a vast majority of its revenue from Federal and State agencies for program planning, administration and operations. The revenue budget for the department is increasing by $296,015. In prior years the department has submitted supplemental appropriations to recognize additional revenue. The department decided to declare this money up front in FY 04 resulting in the increased revenue projection from FY 05. Most of the funding is a state pass-thru of federal funds. The New York State Office for the Aging (SOFA) partially reimburses the department for community-based supportive services designed to maintain senior citizens in their homes and communities, and providing meals. In addition, the County is partially reimbursed for costs of operating the Foster Grandparent Program in Nassau County.

Departmental revenues will remain flat in FY 05, with a forecast of $15,000. These funds will be generated through an annual luncheon/conference the department holds every May. At a cost of $30 per ticket, the department expects about the same 500 participants as the current year. Although the event does generate revenue the proceeds are used to cover the cost of holding the event.

Extended In- Home Services (CC 60), S.N.A.P. Supplemental nutrition assistance program (CC 65) and Title III Care Givers (CC67) increased expenditures are directly related to increased federal funding projected for FY 05.

Department of Senior Citizen Affairs Staffing Analysis	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	35	35	35	35	0	0
Part-time Staffing	3	3	3	3	0	0

Although some positions were moved within the various responsibility centers, the number of budgeted positions both full-time and part-time will remain flat for the FY 05 budget.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BH	Department Revenues	15,000	15,000	15,000	15,000	0	0
BJ	Inter-departmental Revenues	0	0	0	72,277	72,277	72,277
FA	Federal Aid - Reimbursable	5,022,928	5,022,928	5,148,501	5,148,501	125,573	125,573
SA	State Aid - Reimbursable	3,926,605	3,926,605	4,024,770	4,024,770	98,165	98,165
Grand Total		**8,964,533**	**8,964,533**	**9,188,271**	**9,260,548**	**296,015**	**296,015**

The department receives a vast majority of its revenue from Federal and State agencies for program planning, administration and operations. The revenue budget for the department is increasing by $296,015. In prior years the department has submitted supplemental appropriations to recognize additional revenue. The department decided to declare this money up front in FY 04 resulting in the increased revenue projection from FY 05. Most of the funding is a state pass-thru of federal funds. The New York State Office for the Aging (SOFA) partially reimburses the department for community-based supportive services designed to maintain senior citizens in their homes and communities, and providing meals. In addition, the County is partially reimbursed for costs of operating the Foster Grandparent Program in Nassau County.

Departmental revenues will remain flat in FY 05, with a forecast of $15,000. These funds will be generated through an annual luncheon/conference the department holds every May. At a cost of $30 per ticket, the department expects about the same 500 participants as the current year. Although the event does generate revenue the proceeds are used to cover the cost of holding the event.

THE SEWER AND STORM WATER DISTRICT

Last year the State Senate and Assembly approved a bill which was signed by the Governor to establish the Nassau County Sewer and Storm Water Finance Authority. The legislation created the Authority and a consolidated County-wide Sewer & Storm Water Resource District. The Sewer and Storm Water Finance Authority is solely a finance authority to restructure sewer debt issued through the Environmental Facilities Corporation. The Authority will also take over the responsibility for paying debt related to storm water properties within a $350 million cap, and to take title to sewer or storm water properties as part of its financing mission. This debt was previously paid from the General Fund.

The County-wide Sewer and Storm Water Resource District created by the legislation abolishes the existing 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 the use of capital needs, debt service and reserves.

The rate structure for sewage service in the district is set up so the tax rate remains unchanged from the level set in 2003 until 2007. Since no storm water tax existed in 2003, none will be assessed until after 2007. Between 2007 and 2014, the bill requires that the County transition to a system of three taxes: one zone of assessment that is County-wide for storm water services, one zone of assessment for sewage collection and sewage disposal, and one zone of assessment for sewage disposal only. Taxes will be sent to the Town Receivers of Taxes where it will be stored in a lockbox to ensure payment of Authority bonds. The Authority and the County will enter into a financing agreement related to the financial relationships of the entities.

FY 2005 Budget

Last year the Sewer Authority included one budget for the Financing Authority and the Resource District. For FY 05 a separate budget exists for the Sewer and Storm Water Finance Authority and for the Sewer and Storm Water Resource District.

Sewer and Storm Water Resource District:

SEWER & STORM WATER RESOURCE DISTRICT EXPENSE BUDGET BY OBJECT CLASS						
Obj	Name	Adopted FY 04 Budget	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs Request
AA	Salaries	26,371,266	24,360,669	24,360,669	(2,010,597)	0
AB	Fringe Benefits	8,897,010	11,240,097	11,240,097	2,343,087	0
	Total PS	**35,268,276**	**35,600,766**	**35,600,766**	**332,490**	**0**
BB	Equipment	150,977	151,118	151,118	141	0
CC	Materials and Supplies	4,897,661	4,754,275	4,754,275	(143,386)	0
DD	General Expenses	4,372,167	4,246,380	4,246,380	(125,787)	0
DE	Contractual Services	24,896,634	13,749,625	13,749,625	(11,147,009)	0
DF	Utility Costs	7,889,190	10,553,201	10,553,201	2,664,011	0
HH	Interfund Charges	24,395,130	21,490,194	21,490,194	(2,904,936)	0
31	Rate Payer Protection Plan	52,062,194	0	0	(52,062,194)	0
32	Operations and Maintenance Res	0	17,263,841	17,263,841	17,263,841	0
33	General Reserves	0	15,381,709	15,381,709	15,381,709	0
87	Other Suits & Damages	0	500,000	500,000	500,000	0
93	Insurance on Buildings	514,700	0	0	(514,700)	0
	Total OTPS	**119,178,653**	**88,090,343**	**88,090,343**	**(31,088,310)**	**0**
	Grand Total	**154,446,929**	**123,691,109**	**123,691,109**	**(30,755,820)**	**0**

The FY 05 expense budget appears to be decreasing $30.8 million from $154.4 million in FY 05. Most of the decrease is attributed to the rate payer protection plan which will be discussed further below.

Personal services are increasing 1% from $35.3 million in FY 04 to $35.6 million. The 1% is the net change from a decrease in salaries and increase in fringe benefits. The salary budget appears more than sufficient for the 392 full time positions in FY 05. Fringe benefits are increasing by 26% from $8.9 million to $11.2 million, due to rising health insurance and pension contribution costs. The budget has been increased by $1.6 million for pension increases.

The FY 05 budget of $21.5 million for interfund charges accounts for the costs incurred on behalf of the Sewer District for sewer and storm water services. Of this amount, $10.1 million is for charges from the General Fund for salaries of Public Works storm water employees. Another $10.7 million will be charged for indirect and other than personal services expenses related to these employees. Finally $548,000 is for reimbursement for the County Attorney's Office for worker's compensation expenses. This includes items such as wage replacement, medical expenses disability payments and a share of State assessment expenses.

Contractual services are also contributing to the overall reduction of the expenditure budget. The chart on the previous page shows contractual services decreasing from $24.9 million to $13.7 million or by $11.1 million. However for FY 05 contractual services has been divided between the Financing Authority and the Resource District. Under the Finance Authority, $18.3 million has been budgeted, which increases total contractual services to $32 million. The increase is for additional capital pay-go expenditures. Rather than issuing long term debt for District improvements, proposed improvements will be funded from the operating budget.

Both materials and supplies and general expenses remain close to FY 04 budget with a 3% variance. Utility costs are increasing by $2.6 million or 34% due to increase gas and oil prices.

SEWER & STORM WATER FINANCE AUTHORITY

RATE PAYER PROTECTION PLAN

Obj	Name	Adopted FY 04 Budget	Fin Authoity FY 05 Exec. Budget	Res Dist FY 05 Exec. Budget	FY 05 Proposed Budget	Difference FY 04 vs FY 05
31	Rate Payer Protection Plan	52,062,194	7,000,000	0	7,000,000	(45,062,194)
32	Operations and Maintenance	0	0	17,263,841	17,263,841	17,263,841
33	General Reserves	0	0	15,381,709	15,381,709	15,381,709
87	Other Suits & Damages	0	0	500,000	500,000	500,000
93	Insurance on Buildings	514,700	0	0	0	(514,700)
	Grand Total	**52,576,894**	**7,000,000**	**33,145,550**	**40,145,550**	**(12,431,344)**

The rate payer stabilization plan has been set up to protect taxpayers from increased taxes between FY 04 through 2007. The chart above displays the total reserves for the Finance Authority and the Resource District. Comparing the total reserve from year to year the protection plan is decreasing by $12.4 million from $52.6 million in FY 04 to $40.1 million in FY 05.

SEWER & STORM WATER RESOURCE DISTRICT REVENUE BUDGET						
Revenue Class		Adopted FY 04 Budget	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs Request
AA	Fund Balance - BOY	52,964,185	9,053,700	9,053,700	(43,910,485)	0
BE	Investment Income	291,145	750,000	750,000	458,855	0
BF	Rents and Recoveries	781,000	632,178	632,178	(148,822)	0
BH	Department Revenues	2,178,136	1,255,224	1,255,224	(922,912)	0
BI	Capital Backcharges	289,000	348,871	348,871	59,871	0
BJ	Interdepartmental Revenues	247,300	0	0	(247,300)	0
BW	Interfund Charges	0	111,651,136	111,651,136	111,651,136	0
TL	Property Tax	138,932,309	0	0	(138,932,309)	0
	Grand Total	**195,683,075**	**123,691,109**	**123,691,109**	**(71,991,966)**	**0**

On the chart above, the FY 05 revenue budget for the Resource District is $123.7 million, which is a decrease of $72 million compared to the FY 04 budget. The chart shows a significant increase in interfund charges which is offset by large declines in the fund balance, department revenues and property taxes.

The FY 05 fund balance amount of $9.1 million is a decrease of $44 million from FY 04. The fund balance for FY 05 has been split between the Finance Authority and the Resource District. Under the Resource District, $40 million has been budgeted. In total the FY 05 fund balance is $49.1 million which is only a $3.9 million decrease.

Department revenues are decreasing by almost $1 million from $2.2 million in FY 04 to $1.3 million in FY 05. This decrease is due to the elimination of the charge to the Inwood Collection District for processing sewage at the Bay Park Sewage Treatment Plant.

The FY 05 budget includes $111.7 in revenue compared to no budget in FY 04. This revenue accounts for the costs incurred by Sewer District for sewer and storm water services charged to the Finance Authority. Property taxes were budgeted in the districts for FY 04. In FY 05 revenue has been budgeted under the Finance Authority.

The Sewer And Storm Water District
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	440	297	392	392	(48)	95
Part-time and Seasonal	2	13	3	3	1	(10)

Full-time staffing is decreasing by 48 positions from the FY 04 adopted budget of 440 positions to 392 positions in the Sewer and Storm Water District. Part-time staffing is increasing by one position from the FY 04 budget.

Sewer and Storm Water Finance Authority:

SEWER & STORM WATER FINANCE AUTHORITY EXPENSE BUDGET BY OBJECT CLASS							
Obj	**Name**	**Adopted FY 04 Budget**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs Request**
DE	Contractual Services	0	18,342,582	18,342,582	18,342,582	0
HH	Interfund Charges	0	111,651,136	111,651,136	111,651,136	0
31	Rate Payer Protection Plan	0	7,000,000	7,000,000	7,000,000	0
	Total OTPS	**0**	**136,993,718**	**136,993,718**	**136,993,718**	**0**
FF	Interest	20,036,600	22,055,490	22,055,490	2,018,890	0
GG	Principal	21,199,546	19,909,089	19,909,089	(1,290,457)	0
	Total Debt Service	**41,236,146**	**41,964,579**	**41,964,579**	**728,433**	**0**
	Grand Total	**41,236,146**	**178,958,297**	**178,958,297**	**137,722,151**	**0**

The above chart reflects the expenditure budget for the Sewer and Storm Water Finance Authority. The biggest component of the $137.9 million is interfund charges. Interfund charges represent a transfer from the Financing Authority to the Sewer Resource District. With the creation of the Authority, all tax proceeds are received by the Authority to fund debt service payments and reserve accounts. The remaining balance of the tax proceeds are transferred to the District for annual operating expenses.

Debt service of $41.9 million has been budgeted in FY 05 which is a 2% increase from the FY 04 budget.

SEWER & STORM WATER FINANCE AUTHORITY REVENUE BUDGET					
Revenue Class	**Adopted FY 04 Budget**	**FY 05 Dept. Request**	**FY 05 Exec. Budget**	**Variance Exec. vs Adopted 04**	**Variance Exec. vs Request**
AA Fund Balance - BOY	0	40,025,988	40,025,988	40,025,988	0
TL Property Tax	0	138,932,309	138,932,309	138,932,309	0
Grand Total	**0**	**178,958,297**	**178,958,297**	**178,958,297**	**0**

The revenue budget for the Sewer and Storm Water Finance Authority includes property taxes and the fund balance. Property taxes for FY 04 budget can be found under the revenue budget for the Sewer and Storm Water Resource District. Property taxes remain unchanged from FY 04 to FY 05.

DEPARTMENT OF SOCIAL SERVICES

The mission of the Department of Social Services is to provide supportive services and financial assistance to eligible individuals and families in Nassau County, consistent with federal and state laws.

The department has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiative which has been incorporated into the FY 05 budget and baseline:

Medicaid Utilization (HSSS01) - $5,000,000

This initiative involves the implementation of a state-of-the-art data warehouse of Medicaid claim records which will allow for significant improvement in the management of fraud/abuse identification, investigation, and recovery, disproportionate share Medicaid optimization, indigent care medical cost conversions, provider billing, Medicare Part A and B maximization, 3rd party billing and recovery, SSI eligibility, and payment computation and accuracy. The Administration has stated that based on the results in other municipalities, including New York City and the states of Florida and Massachusetts, a 4% reduction in costs is possible over time. The initiative assumes savings of approximately 3% of projected non-IGT Medicaid costs. The Medicaid reimbursement maximization portion of the initiative has been implemented. Payments that had been made for services provided to individuals in non-Medicaid programs for which Nassau picks up 50% of the cost, such as Pre-School Special Education, were found to be Medicaid eligible, thereby requiring only a 25% County share. The 3rd party billing program involves the recovery of costs in cases where a third party insurer was liable for a claim paid by Medicaid. The third major component implemented is fraud and abuse identification. Cases of non-normal billing by providers will be uncovered and investigated. Medical transportation was the first area to be examined.

As can be seen in the chart on the next page, the proposed budget for the Department of Social Services contains an increase of $21.8 million, or 4.2%. However, if the IGT payment and the inter-departmental charges are backed out, the increase becomes $32.7million, or 7.1%. Although the IGT is being reduced by $17.2 million in FY 05, the County will not realize any budgetary savings because the expense in both years is balanced by an equal revenue (see discussion of IGT below). The $32.7 million difference is made up of $29.1 million for direct assistance, $2.8 million for salaries, and $0.8 million for OTPS.

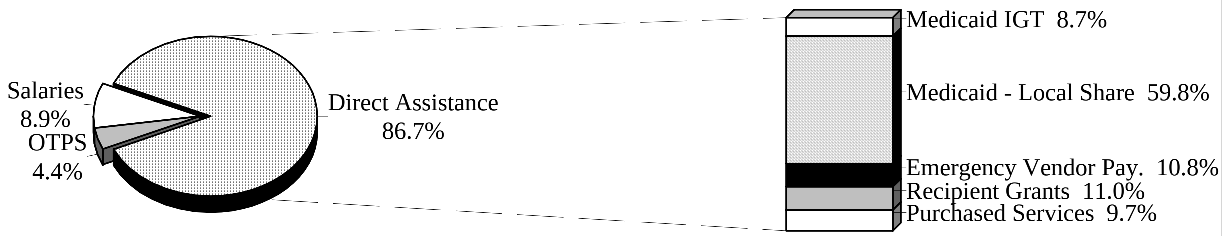
EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	45,729,446	44,051,128	48,899,201	48,487,080	2,757,634	4,435,952
BB	Equipment	124,970	66,908	126,532	126,532	1,562	59,624
CC	Materials & Supplies	28,000	20,456	48,000	48,000	20,000	27,544
DD	General Expenses	1,199,205	6,637,045	1,214,195	1,105,195	(94,010)	(5,531,850)
DE	Contractual Services	10,837,974	10,387,974	12,261,461	11,811,461	973,487	1,423,487
DF	Utility Costs	90,200	90,200	96,965	400	(89,800)	(89,800)
	Total OTPS	**12,280,349**	**17,202,583**	**13,747,153**	**13,091,588**	**811,239**	**(4,110,995)**
SS	Recipient Grants	46,723,850	50,240,000	53,104,600	51,604,600	4,880,750	1,364,600
TT	Purchased Services	44,431,814	43,351,951	46,386,814	45,886,814	1,455,000	2,534,863
WW	Emergency Vendor Payments	49,664,213	48,360,213	51,574,000	50,824,000	1,159,787	2,463,787
XX	Medicaid - Local Share	260,101,782	271,644,215	307,342,883	281,748,167	21,646,385	10,103,952
XY	Medicaid - IGT	58,202,530	58,202,530	40,973,706	40,973,706	(17,228,824)	(17,228,824)
	Total Direct Assistance	**459,124,189**	**471,798,909**	**499,382,003**	**471,037,287**	**11,913,098**	**(761,622)**
HF	Inter-Depart Charges	4,343,732	8,123,225	0	10,663,208	6,319,476	2,539,983
	Grand Total	**521,477,716**	**541,175,845**	**562,028,357**	**543,279,163**	**21,801,447**	**2,103,318**

The $2.8 million, or 6%, payroll increase will accommodate a CSEA contractual salary adjustment of 3.5% as of January 1, 2005, plus steps. Budgeted headcount will grow by seven full-time and four part-time positions. The department receives an average 75% reimbursement for its personnel costs up to the state aid cap, and 50% for expenditures over the cap.

The proposed budget for other than personal services, less interdepartmental charges, is increasing by $811,239, or 6.6%, largely the result of an additional $1 million for contractual services. The department contracts for such services as process serving and employment assessment. The vendors for the Medicaid Utilization initiative are also paid from this code. The line for general expenses is decreasing slightly compared to the FY04 budget, but is $5.5 million less than OMB's projected FY 04 actuals. This is due primarily to the Health and Human Services scanning project. The Department of Social Services, with millions of documents, is the largest component of the effort to digitize and make accessible the records of the vertical's agencies. The line for utility costs has been reduced by 99.6%. These expenses will now be accounted for as inter-departmental building occupancy charges.

Inter-departmental charges have been developed to more accurately 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). Building occupancy charges have gone from a budget of $2.0 million to $5.4 million. In 2005, Social Services, along with most of the HHS departments, will be moving to leased space in the Reckson Building on Charles Lindbergh Boulevard. The building occupancy charges represent the department's portion of the expenses related to the new location. In addition charges have been added for services provided by the Department of Probation ($835,375), Drug and Alcohol ($547,096), Mental Health, ($173,915) the Correctional Center ($120,000), and the County Attorney ($37,604). The Police Department will be charging Social Services $890,000 to provide security. The combined costs of telecommunications and information technology are increasing by almost $300,000 to $1.4 million.

FY 2005 Proposed Expense Budget



Note: OTPS includes Inter-departmental charges

As can be seen in the chart above, direct assistance is the largest expense category for Social Services, making up 86.7% of the budget. Medicaid comprises 59.8% of direct assistance.

Medicaid is a jointly-funded, federal-state health insurance program for certain low-income and needy people, including children, the aged, blind, and/or disabled, and people who are eligible to receive federally assisted income maintenance payments. Medicaid payments are used to pay for nursing homes, hospital bills, prescription medicine, doctors, dentists, medical transportation, etc. Although states are required to pay for a core set of benefits, they can choose to offer such optional benefits as prescription drugs and dental care. The amount that is the responsibility of the County varies depending on the type of expenditure (see chart on following page which shows costs and the local share percentage for the different service categories in 2003). On average, the County pays for approximately 18% of the total Medicaid expense (the State pays the bill and the County reimburses the State for the local share). It should be noted that although nursing homes account for the largest portion of gross Medicaid dollars spent in Nassau, the largest expense for the County is hospital care, which requires a much greater local share percentage than nursing homes.

SERVICE TYPE	MMIS Payments 2003 Gross $'s	Local Share	Local %
Hospital-Inpatient	185,741,847	46,007,858	24.8%
Hospital-Outpatient	31,858,344	7,907,492	24.8%
Skilled Nursing Facility	329,630,026	29,592,767	9.0%
Intermediate Care Facility	43,230,431	9,879,430	22.9%
Clinics	48,649,924	10,423,932	21.4%
Hospice Services	3,752,156	952,372	25.4%
Physician	10,482,403	2,591,988	24.7%
Dental	4,713,612	1,171,827	24.9%
Other Practioners	12,068,579	2,689,760	22.3%
Child Care Med. Per Diem	1,672,480	416,953	24.9%
Personal Care	95,885,500	8,925,332	9.3%
Home Health Aid	4,777,191	413,215	8.6%
Home Nursing	6,380,297	593,167	9.3%
Assisted Livng Prog	1,553,766	145,744	9.4%
Waived Services	112,303,687	25,580,206	22.8%
Rehab.& Therapy Services	4,310,018	307,335	7.1%
Rehab Option Svcs	27,616,373	4,228,391	15.3%
Drugs	103,639,021	25,848,227	24.9%
Sick Room Supplies	6,075,007	1,497,801	24.7%
Eyeglasses	108,580	27,300	25.1%
Dme And Appliances	3,314,249	821,458	24.8%
Hmo Services	84,876,007	21,714,133	25.6%
Ltc - Managed Care	19,783,664	2,184,059	11.0%
Case Mgmt. Plans	9,106,181	2,193,654	24.1%
Pre-Paid Mental Health Plan	689,512	0	0.0%
Transportation	9,035,379	2,270,749	25.1%
Lab And X-Ray	3,079,561	776,031	25.2%
Other	550,231	135,311	24.6%
TOTAL MMIS PAYMENTS	**1,164,884,026**	**209,296,492**	**18.0%**

The proposed budget for the local share of Medicaid is increasing by $21.6 million, or 8.3%, to $281.7 million. The growth as compared to OMB's projected actual expense for FY 04 is $10.1 million, or 3.7%. However, the cost of the Family Health Plus program, approximately $14.3 million in FY 04, will no longer be a County obligation (see below). Adjusting for the absence of that expense in FY 05, the local share growth from the FY 04 projection to the FY 05 budget is 9.5%. According to a report entitled "The Continuing Medicaid Budget Challenge: State Medicaid Spending Growth and Cost Containment in Fiscal Years 2004 and 2005," published by the Kaiser Commission on Medicaid and the Uninsured:

> In FY 2004, total Medicaid spending increased on average by 9.5%. The increase in total Medicaid spending in FY 2004 was slightly higher than the 9.4 percent growth rate

> reported for 2003, but lower than the 11.9 percent average annual rate of growth that occurred over the 2000-20002 period.

Medicaid costs for the current year are projected at $271.6 million, which is over budget by $11.5 million. This is partly the result of the department having addressed the backlog of some 10,000 cases that had accumulated (3,000 is considered the norm). Many of the accumulated claims were processed at the 2.95% higher federal reimbursement rate, or FMAP, that was in effect from April 1, 2003 through June 30, 2004. Surplus Medicaid funds in the amount of $6.2 million 2003 were accrued to cover the department's costs associated with the backlog reduction.

The 2005 Medicaid budget was arrived at by estimating the various growth rates for each category of services. Then the County share of the projected gross costs, which varies according to the services rendered, was calculated. Also factored in were the savings from the Medicaid utilization initiative. The department requested $25.6 million more in Medicaid funding than was included in the Executive Budget, but that amount included funding for the Family Health Plus program. Those costs will be taken over by New York State, as described in the New York State Association of Counties Weekly Wire for August 13, 2004:

> In response to the county call for local Medicaid relief, the Senate and Assembly have included a phased-in takeover of the local share of the Family Health Plus program. Effective January 1, 2005, the state will assume 50 percent of the local share of Family Health Plus expenditures and on January 1, 2006, the state will assume 100 percent of the local program costs.

Starting in October, 2001, Family Health Plus has been available to single adults, couples without children, and parents with limited income who are residents of New York State and are United States citizens or fall under one of many immigration categories. Health care is provided through participating managed care plans. The explosive growth of the program can be seen in the chart on the right, which shows the monthly caseload for Family Health Plus enrollees in Nassau County since the program's inception (a case can represent up to two individuals). New York State has estimated that there are as many as 39,000 Nassau residents eligible for Family Health Plus, so participation may continue to rapidly expand. The annual expenditures for each of the two complete years that the program has been available and year-to-date 2004 are as follows:

FHP Caseload	
Sep-01	0
Dec-01	58
Mar-02	321
Jun-02	715
Sep-02	1,230
Dec-03	2,048
Mar-03	3,740
Jun-03	4,973
Sep-03	6,416
Dec-03	7,632
Mar-04	9,060
Jun-04	10,762
Sep-04	11,569

Year	Gross $	Local Share	Monthly Avg	
FY 2002	$2,966,591	$741,648	$61,804	
FY 2003	$23,967,879	$6,946,474	$578,873	
FY 2004	$27,166,795	$8,369,292	$1,195,613	7 months

The monthly average cost of Nassau's local share has grown from $61,804 in 2002 to $1.2 million over the first seven months of 2004, which projects out to a total of $14.3 million. This amount is expected to double to $28.6 million in 2005. With the state picking up half the cost, Nassau would still have had to pay $14.3 million next year, but the County has decided to pre-pay that amount in FY 04 utilizing budgeted tobacco securitization funds. It should be kept in mind, however, that even though the state is going to pay the full cost of the program beginning in 2006, the Department of Social Services will still be responsible for processing the applications and the annual certification of the enrollees.

Since October 1, 2001, with the implementation of its Medicaid Managed Care program, Nassau has been authorized to enroll Medicaid applicants into one of the HMO's that have contracted with the County to provide health services. Capitated managed care costs for Medicaid-eligible individuals cost the County less than paying on a fee for service basis. The program is expected to save $2.3 million in FY 05. Through September of this year 80% of those eligible have been enrolled.

The County's Multi-Year Plan anticipates that Medicaid costs will grow by 13.5% in year FY 06 and 12.5% in years FY 07 and FY 08. This would appear to be a conservative projection as it is based on inflating the gross expenses, less the Intergovernmental Transfer (see below). The gross includes charges for such items as indigent care adjustments and public goods pools payments which are not growing at the same rate as the rest of the program.

The County Executive is lobbying New York State for a cap on local share Medicaid expense. If he is not successful in this effort, he will propose a 3.9% property tax levy increase in FY 06, and a 4.9% increase in years 2007 and 2008 to finance the annual growth in county Medicaid costs. In addition to rising health care costs, Medicaid expenses are being driven by the growing caseload:

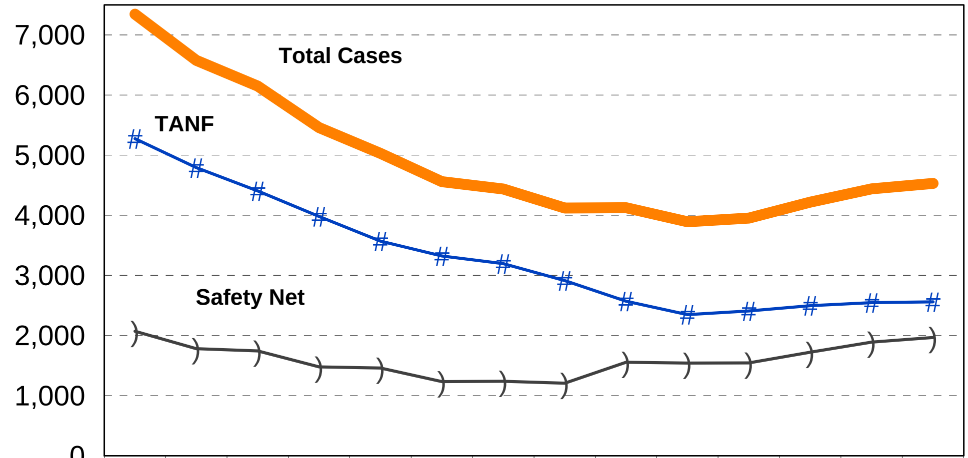
Total Medical Assistance Caseload

Month	Cases	Annual % Change
Sep-94	37,011	
Sep-95	38,797	4.8%
Sep-96	39,709	2.4%
Sep-97	40,054	0.9%
Sep-98	40,853	2.0%
Sep-99	41,422	1.4%
Sep-00	42,698	3.1%
Sep-01	43,595	2.1%
Sep-02	47,389	8.7%
Sep-03	55,570	17.3%
Sep-04	69,109	24.4%

Also included in the Medicaid control center is funding 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 nursing homes and hospitals (the nursing home portion is being phased out). The County will be reimbursed 100% by the Nassau Health Care Corporation (NHCC) for its IGT payment, which is budgeted at $41.0 million. An equal amount is reflected in the department's revenue budget. Just recently the County learned that its 2004 IGT payment for the hospital piece alone will be $102 million, well over the $58.2 million in the budget. The additional funds will have to be supplementally appropriated, but the County will still get back as much as it pays out.

Nassau County TANF & Safety Net Caseload

January 1998 - July 2004



	Jan-98	Jul-98	Jan-99	Jul-99	Jan-00	Jul-00	Jan-01	Jul-01	Jan-02	Jul-02	Jan-03	Jul-03	Jan-04	Jul-04
TANF	5,274	4,792	4,406	3,979	3,570	3,323	3,195	2,913	2,570	2,349	2,408	2,497	2,546	2,560
Safety Net	2,071	1,783	1,743	1,478	1,460	1,234	1,240	1,207	1,557	1,542	1,544	1,723	1,892	1,969
Total	7,345	6,575	6,149	5,457	5,030	4,557	4,435	4,120	4,127	3,891	3,952	4,220	4,438	4,529

Funding for recipient grants is increasing by $4.9 million, or 10.4%, over this year's budget, and $1.4 million, or 2.7%, over OMB's FY 04 projection. Larger caseloads are anticipated in 2005 One half of the proposed budget of $51.6 million 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 increasing by $2.3 million. States receive a block grant allocation and are required to maintain a historical level of state 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."[1] The other half is divided between Safety Net Assistance (formerly referred to as Home Relief), increasing from $14.0 million to $16.2 million, and various other programs, such as Subsidized Adoptions, Children in Foster Homes, and Home Energy Assistance, which will receive the remaining $9.6 million. In December of 2001, TANF recipients began to reach the 5-year maximum term that a family is allowed to participate in this program. Those individuals who cannot find other means of support have to apply for the Safety Net program (Home Relief). As of July of this year, TANF cases were lower than their January 2001 level, while Safety Net has risen almost 59% in that same period. This trend is significant because the County contributes 50% for the Safety Net program, but only 25% for TANF.

[1]d "Welfare Fact Sheet", U.S. Department of Health and Human Services: Administration for Children and Families, September, 2000.

The costs associated with day care are recorded as purchased services. This allocation is increasing by $1.5 million, or 3.3%, from the current year's budget of $44.4 million, and $2.5 million, or 5.8% from OMB's projected actuals. Caseload peaked at 5,000 at the end of 1999, and has averaged approximately 3,300 cases per month since then. The budget reflects an anticipated rate increase effective in October 2005. Caseload is expected to remain near the current level.

The funding for emergency vendor payments is increasing approximately $1.2 million, or 2.3%, over the FY 04 budget of $49.7 million, and $2.5 million, or 5.1%, over OMB's projected actuals for the year. These costs are related to various programs, including training schools, education of handicapped children, juvenile delinquents (CC65), Children in Institutions (CC62), and Persons in Need of Supervision (PINS). Expenses cover such items as room and board, education, and childcare.

The chart below shows the expense amount allocated to each of the department's control centers, which correspond to the various programmatic areas. The large variance in Administration is mostly related to the increase in inter-departmental charges, which are not included in the requested budget.

EXPENSE BUDGET BY CONTROL CENTER

Control Center		Adopted FY 04 Budget	Departmental Request FY 05	Executive FY 05	Variance Exec. vs. FY 04	Variance Exec. vs. Request
10	Administration	10,516,799	7,471,987	17,010,289	6,493,490	9,538,302
20	Public Financial Assistance	32,591,344	34,237,331	34,195,261	1,603,917	(42,070)
30	Services	15,553,643	17,180,048	17,180,048	1,626,405	0
51	Juvenile Detention Center	3,681,741	3,753,988	3,853,278	171,537	99,290
52	Real Estate Expense	10,000	3,000	3,000	(7,000)	0
53	Educ. Handicapped Children	10,500,000	11,000,000	11,000,000	500,000	0
55	Food Stamp Program	5,000	1,600	1,600	(3,400)	0
60	Family Assistance	28,250,000	31,528,600	30,028,600	1,778,600	(1,500,000)
61	Safety Net Assistance	15,500,000	18,204,000	17,454,000	1,954,000	(750,000)
62	Children in Institutions	19,078,213	20,000,000	20,000,000	921,787	0
63	Children in Foster Homes	1,294,000	1,780,000	1,780,000	486,000	0
65	Juvenile Delinquents	8,200,000	8,560,800	8,560,800	360,800	0
66	Training Schools	2,432,000	2,550,000	2,550,000	118,000	0
68	Children in Institutions - 4E	2,200,000	2,200,000	2,200,000	0	0
69	Children in Foster Homes - 4E	2,640,000	1,983,600	1,983,600	(656,400)	0
70	Subsidized Adoptions	4,377,500	4,675,000	4,675,000	297,500	0
72	Burials	325,000	300,000	300,000	(25,000)	0
73	Medicaid MMIS	318,304,312	348,316,589	322,721,873	4,417,561	(25,594,716)
75	HEAP	1,591,350	1,900,000	1,900,000	308,650	0
76	Title XX	44,426,814	46,381,814	45,881,814	1,455,000	(500,000)
	Total	**521,477,716**	**562,028,357**	**543,279,163**	**21,801,447**	**(18,749,194)**

The proposed budget has added seven full-time positions and four part-time positions. Compared to current staffing as of this September, however, the department will actually be losing four full-time positions, and gaining six part-timers. Social Services had been authorized to exceed its budgeted headcount in anticipation of losing caseworkers to the Probation Department. The department has added eight Community Services Representatives. As part of the No Wrong Door intake procedure, these employees will screen and direct clients who show up for services at the Reckson building. In addition to the General Fund positions, the department has 65 grant-funded employees. The "Final Report on the Finances and Operations of Certain Departments, Independent Agencies, and Independent Corporations in the Economic Development Vertical" prepared by Deputy County Executive Arthur A. Gianelli recommended that only employees whose salaries and fringe benefits are fully and exclusively supported by state or federal grants should be included in the County's Grant Fund.

Department of Social Services
Staffing Analysis

CC		FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
CC	**Full-time Staffing**						
10	Administration	79	75	90	82	3	7
20	Public Financial Assistance	474	470	467	466	(8)	(4)
30	Services	246	270	262	262	16	(8)
51	Juvenile Detention Center	46	41	42	42	(4)	1
Total Full-time		**845**	**856**	**861**	**852**	**7**	**(4)**
CC	**Part-time and Seasonal**						
10	Administration	7	25	28	26	19	1
20	Public Financial Assistance	97	71	81	81	(16)	10
30	Services	55	58	55	55	0	(3)
51	Juvenile Detention Center	32	35	33	33	1	(2)
Total Part-time and Seasonal		**191**	**189**	**197**	**195**	**4**	**6**

In providing social services to the citizens of Nassau, the County receives aid from the federal Government (projected at $93.1 million for FY 04) and the State (projected at $115.7 million). The chart below illustrates the relationship of federal/state aid to each control center. Please note that most of the expenditures for the Medicaid control center reflect payments to the State for the County portion only, therefore reimbursement is not necessary. If Medicaid is excluded, 64% of the department is federal/state funded. Similarly, expenditures in the Food Stamp (Food Assistance Program - aid to legal immigrants not paid for by the federal government) and Training Schools control centers reflect the county share, therefore no reimbursement is required. The revenue that is shown in the Medicaid control center mostly reflects overburden aid related to the mentally ill and revenue satisfaction of estates.

FY 05 FEDERAL AND STATE AID BY CONTROL CENTER

Control Center	Expenses	Federal	State	Federal/ State Funded	% Federal/ State Funded
Administration	17,010,289	4,359,942	1,992,471	6,352,413	37%
Public Financial Assistance	34,195,261	21,347,193	6,927,262	28,274,455	83%
Services	17,180,048	7,374,568	5,363,322	12,737,890	74%
Juvenile Detention Center	3,853,278	0	2,789,681	2,789,681	72%
Real Estate Expense	3,000	0	0	0	0%
Educ. Handicapped Children	11,000,000	0	4,400,000	4,400,000	40%
Food Stamp Program	1,600	0	0	0	0%
Family Assistance	30,028,600	12,161,583	3,507,150	15,668,733	52%
Safety Net Assistance	17,454,000	0	7,864,500	7,864,500	45%
Children in Institutions	20,000,000	9,600,000	5,000,000	14,600,000	73%
Children in Foster Homes	1,780,000	890,000	493,950	1,383,950	78%
Juvenile Delinquents	8,560,800	3,518,289	2,140,200	5,658,489	66%
Training Schools	2,550,000	0	0	0	0%
Children in Institutions - 4E	2,200,000	0	1,100,000	1,100,000	50%
Children in Foster Homes - 4E	1,983,600	986,841	495,900	1,482,741	75%
Subsidized Adoptions	4,675,000	1,963,500	2,103,750	4,067,250	87%
Burials	300,000	0	6,000	6,000	2%
HEAP	1,900,000	1,900,000	0	1,900,000	100%
Title XX	45,881,814	28,446,725	4,541,800	32,988,525	72%
Sub-Total	**220,557,290**	**92,548,641**	**48,725,986**	**141,274,627**	**64%**
Medicaid MMIS	322,721,873	2,500,000	61,000,000	63,500,000	20%
Total	**543,279,163**	**95,048,641**	**109,725,986**	**204,774,627**	**38%**

There appears to be an inconsistency in the Administration control center. When, as a result of inter-departmental charges being added, Administration's expenses were increased from $7.5 million in the departmental request to $17.0 million in the Executive Budget, the state and federal aid were reduced from $6.9 million to $6.3 million. While it is true that the department is over the state cap on reimbursement of administrative expenses relating to the Medicaid, Food Stamps and Public Assistance programs, it is not clear why additional federal aid would not be received. Compare the 79.1% federal/state funding in the FY04 Administration control center to the 37% funding in FY 05.

In the FY 04 budget, $58.2 million for Medicaid IGT reimbursement was included with departmental revenues. In FY 05 this revenue has been given its own line and an allocation of $41.0 million. What remains in departmental revenues is made up of recoveries and liens. The current year's state aid is projected to come in $22.2 million over the budget. Most of this amount will be collected in the Medicaid control center, where the budget had been lowered in anticipation of a threatened cut in state funding that never materialized. The revenue is related to overburden aid for the mentally ill. Also included in FY 04 is reimbursement for the HHS scanning project.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BH Departmental Revenues	67,380,030	67,380,030	51,852,606	10,878,900	(56,501,130)	(56,501,130)
BX Medicaid IGT Reimbursements	0	0	0	40,973,706	40,973,706	40,973,706
FA Federal Aid - Reimb Exp	92,900,617	93,110,102	96,251,702	95,048,641	2,148,024	1,938,539
SA State Aid - Reimb Exp	93,573,587	115,729,323	114,864,302	109,725,986	16,152,399	(6,003,337)
Grand Total	**253,854,234**	**276,219,455**	**262,968,610**	**256,627,233**	**2,772,999**	**(19,592,222)**

Out-Year Initiatives

ID#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
HSSS01	Medicaid Utilization	$5,000,000	$10,000,000	$10,000,000	$10,000,000
HSHS01	HHS Administrative Consolidation	$0	$0	$5,000,000	$10,000,000
HSHS02	Program Reductions	$0	$1,000,000	$1,000,000	$1,000,000

The initiative for **Medicaid utilization,** discussed earlier, is expected to increase from $5 million to $10 million, starting in FY 06. At that time all phases of the initiative will be implemented.

The **HHS administrative consolidation** initiative will reorganize and consolidate the administrative functions of the Health and Human Services vertical, such as IT, human resources, accounting, and finance, with the goal of increasing revenue and reducing costs. This past August a consultant was awarded a contract for $25,000 to provide an initial assessment and recommended plan of action. It is anticipated that another $1 million will be needed for assistance in the implementation of the plan. The projected savings, $5 million in FY 07 and $10 million in FY 08, are based on the experience of another county in New York. It may be difficult to achieve net savings of this magnitude in a vertical with significant state and federal reimbursement. This is not specifically a Department of Social Services initiative, but will affect all HHS agencies.

The **program reductions** initiative, beginning in 2006, will be made up of cuts in contractual costs for non-mandated programs in Health and Human Services departments. This initiative is still in the exploration phase and the exact distribution of the cuts has not yet been determined. It is not known at this time what the impact will be on the programs' providers and clients.

TRAFFIC & PARKING VIOLATIONS AGENCY

The Traffic and Parking Violations Agency (TPVA) was established as a County agency in 1994 and began operating in April 1995. TPVA is authorized to collect parking and traffic ticket fines and pursue collections that are past due. Prior to TPVA's creation, the Court System was responsible for all parking and traffic ticket processing. In the summer of 2002, the Administration was successful in securing State legislation transferring directorship of the Agency to the County Executive from a Board of Judges. This includes the authority to hire and remove the director of the Agency.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	1,692,810	1,821,919	1,792,290	1,792,290	99,480	(29,629)
BB	Equipment	25,000	21,000	25,313	25,313	313	4,313
DD	General Expenses	78,500	62,000	79,481	79,481	981	17,481
DE	Contractual Services	976,350	976,350	1,000,759	886,759	(89,591)	(89,591)
	Total OTPS	**1,079,850**	**1,059,350**	**1,105,553**	**991,553**	**(88,297)**	**(67,797)**
HF	Inter-Dept. Charges	911,696	911,696	0	694,885	(216,811)	(216,811)
	Grand Total	**3,684,356**	**3,792,965**	**2,897,843**	**3,478,728**	**(205,628)**	**(314,237)**

The 2005 expense budget is less than that of 2004 by approximately 5.6%, or $206,000, due to a reduction in contractual services and interdepartmental charges by $90,000 and $217,000 respectively. The $99,000 salary line growth, a result of the 2005 3.5% CSEA increase, is actually $29,000 less than OMB's 2004 projection. This overage in 2004 salaries is a result of the increased amount of overtime used to help reduce the backlog of tickets. Overtime for 2004 is projected to be about $260,000. TPVA should have a better handle on the backlog in 2005 due to new technology and operational and staff changes and should be able to manage with less overtime, so the overtime budget has been reduced by $50,000 from $150,000. In January 2004, there were 52,000 tickets that were considered backlogged and with overtime and new technology, the backlog was reduced to about 31,000 by July 1, 2004. At that time, tickets were labeled "backlogged" the moment time they were entered into the system. Since that methodology did not take into account the allotted time allowed to answer a ticket, whether to pay or plead, a ticket will now be considered backlogged only after a violator has either answered the violation or allowed the allotted time to lapse. Using this new methodology, the current backlog of tickets is down to approximately 12,500 tickets. The reduction in interdepartmental charges is a result of the elimination of a chargeback for salary and fringe expense for a position no longer needed by TPVA.

Traffic and Parking Violations Agency Staffing Analysis						
	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual.
Full-time Staffing	35	32	35	35	0	3
Part-time and Seasonal	15	14	18	14	(1)	0

Full time staffing in 2005 parallels the 2004 adopted budget but when compared to September actuals full time personnel will increase by three. While the total headcount remains constant with 2004 levels, the distribution of personnel has changed. There is an additional Prosecutor, Assistant Deputy Director, two new Bi-lingual Clerks and a new Community Services Representative in the 2005 budget. They will replace a Clerk I, a Multi-Keyboard Operator and four Cashier I positions. The change in distribution reflects the new technology planned for and in current use at TPVA which will allow TPVA to concentrate and improve on different aspects of the collection process including trial preparations and courtroom procedures.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BD	Fines & Forfeitures	12,000,000	10,800,000	11,800,000	12,900,000	900,000	2,100,000
BF	Rents & Recoveries	1,500,000	688,000	0	0	(1,500,000)	(688,000)
	Grand Total	**13,500,000**	**11,488,000**	**11,800,000**	**12,900,000**	**(600,000)**	**1,412,000**

TPVA derives its revenue solely from the collection of fines. In 2005 TPVA expects to collect $2.1 million more in revenue than what is projected in 2004. OMB had revised the 2004 budget downward with a projection of $10,800,000 due to an earlier booking of a one time payment and a readjustment of another. Rents & recoveries are being eliminated from the 2005 budget due to one shot revenues that will not occur in 2005. Also OMB's 2004's projection had been reduced from the budgeted amount of $1,500,000 as result of booking a one-time payment of $811,000 from its delinquent ticket collection vendor Law Enforcement Services (LES) in 2003 rather than in 2004. The payment was for duplicative payments that LES owed the County. Also, original estimates for a partial payment trust fund that had been established by the State DMV had also been adjusted downward from about $850,000 to between $650,000 and $700,000 for a one time payment. In addition, the 2005 proposed Police Department District's budget funds six additional Parking Enforcement Aides (PEAs) who will be utilizing more of the 27 handheld computers which provide more efficiency in the ticket collection process.

Current revenue collections are at $6.9 million and TPVA is confident that with the implementation of operational improvements, the current revenue target of $10,800,000 for 2004 will be achieved. These changes include an improved billing process, expanded night and Saturday hours to accommodate those ticket holders who can not get to TPVA during normal business hours, acceptance of payments by credit card, increased number of conferences and trials that will help the Agency decrease backlog and schedule conferences and trial requests in a more timely manner and an improved voice mail system that assists in eliminating unnecessary phone calls and thereby enabling the staff to utilize their time more efficiently and increase customer service.

TPVA plans on hitting the 2005 revenue target of $12,900,000 by continuing with the previously mentioned changes and making additional improvements. A new web service that will enable TPVA to accept on-line payments should be fully operational in early 2005, the contract with LES is being amended to include the collection of traffic tickets as well as parking tickets. In addition, the Agency is on the verge of implementing an electronic disposition of the ticket and supporting documentation called TraCS. TraCS was developed in response to the need for a well designed information management tool for field officers that would simplify the data collection process and administrative burden on officers. It eliminates repetition through the use of common information, which allows the user to enter certain types of information and use it many times. TraCS consists of two related applications, TraCS Mobile and TraCS Office which are used to collect incident data and the TraCS Office Database, which is used to store data at the local agency. The State had granted the County $500,000 in 2004 to fund the hardware in the cars. In 2005, the County would receive $1 million for continued use of the program. After receiving legislative approval for use of TraCS contract, the system should be up and running by the latter part of 2004.

In order to increase compliance with parking laws and regulations, the County had started a boot and tow campaign in which the most serious scofflaws, of which there are about 1,700, would be booted and could then redeem their vehicles by paying the outstanding fines. TPVA’s letter campaign of warning the most serious scofflaws of the impending “boot” had been met with great response and had grossed $585,000 in 2003 and approximately $250,000 in early 2004. Due to the success of this program, TPVA is considering embarking on another letter campaign to secure a portion of the estimated 102,000 outstanding parking tickets from 1995 – 2000 which have a potential $13 million gross revenue. The ten most outstanding scofflaws would generate approximately $240,000 in fines and penalties.

All these changes, both operational and technical, that have occurred at TPVA illustrate how dramatically the Agency has improved over the past two years. While these improvements strongly suggest that collections will increase, it is questionable whether TPVA can achieve its revenue target of almost $13 million since revenue targets have not been achieved in the past.

Out-Year Initiatives

ID#	NAME	FY2005	FY 2006	FY 2007	FY 2008
PSTV01	Ticket Processing Surcharge	0	0	1,452,775	1,452,775
PSTV02	Delinquent Traffic Ticket Collection	0	500,000	250,000	250,000

The **ticket processing surcharge** will increase the existing surcharge of $15 on speeding tickets to $25 and the $10 surcharge on parking to $15. Additional revenue from the surcharge increases would allow the agency training for staff to improve workflow and technology improvements to enhance processing and collections. The $1.4 million in the outyears is based on current ticket collections which usually run about 55% for moving and approximately 45% for parking tickets. It was thought that this initiative would require both State and local approval. The County Attorney's office, however, has advised that approval is needed only from the Board of Judges, not from the State, nor is local legislation required. The County will present a request for surcharge increases to the Board by late October and based on the Board's decision will begin implementation of this initiative with a potential for earlier impact on revenue.

The **delinquent ticket collection** initiative is an attempt by the Agency to send delinquent moving violations to a collection agency. The County has amended its contract with the current vendor for delinquent parking ticket collections, LES, to include delinquent moving violators. Prior to this, TPVA's performance at collecting this revenue was inadequate and after gaining state approval for an outside vendor to perform this activity, LES was selected to achieve the same success it has attained collecting for delinquent parking tickets. The Agency conservatively projects very little, if any, revenue in 2005 due to implementation time, but initially estimates an additional $500,000 in 2006 but as delinquent tickets decline, revenue from this initiative should even out to about $250,000 annually.

TRAFFIC SAFETY BOARD

The 2005 revenue budget is decreasing by $23,000 from the Adopted 2004 budget but the reduction is $107,000 when compared to the OMB 2004 projection. Revenue collected in fines & forfeitures is money from the handicapped parking ticket surcharge that the Traffic Safety Board and the Office of Physically Challenged receive in a 50/50 split. The revenue is to be used on handicapped parking related issues such as education and enforcement. In 2005 this money will be placed in the Grant Fund which is reflected in the elimination of this line in the General Fund. The 2004 projection represents the amount of money that has been collected and rolled over from year to year and left unspent, which may be a violation of State law. The 2005 budgeted revenue ($160,000) is money the Traffic Safety Board receives from grants for DWI enforcement and seat belt safety programs for their administrative and public information services.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BD Fines & Forfeits	33,000	117,000	0	0	(33,000)	(117,000)
BH Departmental Revenues	150,000	150,000	160,000	160,000	10,000	10,000
Grand Total	**183,000**	**267,000**	**160,000**	**160,000**	**(23,000)**	**(107,000)**

The Board salary expenses are projected to increase in 2005 by approximately $13,000 as a result of the contractual increases, over current salaries, effective January 2005. OTPS expense remains flat with last year's levels. Interdepartmental charges are increasing approximately 50% or almost $30,000 due to increases in printing, information technology, GIS and telecommunication charges.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	203,492	203,312	216,192	216,192	12,700	12,880
CC	Materials & Supplies	250	250	250	250	0	0
DD	General Expenses	350	350	350	350	0	0
	Total OTPS	**600**	**600**	**600**	**600**	**0**	**0**
HF	Inter-Depart Charges	58,712	58,712	0	88,317	29,605	29,605
	Grand Total	**262,804**	**262,624**	**216,792**	**305,109**	**42,305**	**42,485**

Budgeted full-time staffing remains constant with 2004 levels.

Traffic Safety Board
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Req.
Full-time Staffing	3	3	3	3	0	0

COUNTY TREASURER

The County Treasurer manages and invests County funds, maintains banking and financial relationships, oversees the County's bond program, maintains an accounting of receipts and disbursements, collects tax delinquencies and conducts the annual Tax Lien Sale.

The department has the responsibility for the implementation and monitoring of the following Multi-Year Financial Plan initiatives which have been incorporated into the FY 05 budget and baseline.

Fee Initiative (BFBU01) - $800,000

This is part of the County-wide initiative to increase fees by $3.8 million. The Treasurer's office will be increasing fee revenue a total of $800,000. The late listing fee and the advertising fee on the sale of tax liens have not been increased since 2000. Both currently cost $75 per listing, and will be increased to $85.

Cash Receivable Mangement (BFTR04) $75,000

A vendor, NCO Financial Systems, has been selected through the RFP process, to collect, litigate and enforce judgments on the County's uncollected receivables. Legislative approval for the contract will be sought before the end of this year, and implementation is planned to begin in February 2005. The Treasurer conducted a survey to determine what receivables are outstanding and collectable, and estimates the total of unbooked receivables at $1.5 million. Most of that amount is related to ambulance billing. The Treasurer's proposed FY 05 budget includes $75,000 on the rents and recoveries line for this initiative, based on an industry collection rate of 12% to 15%, and then discounting by almost 40%. The Treasurer will be monitoring the collection process..

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BA	Int Penalty On Tax	23,380,000	23,380,000	23,380,000	24,180,000	800,000	800,000
BD	Fines & Forfeits	12,000	13,840	12,000	12,000	0	(1,840)
BE	Invest Income	8,000,000	8,000,000	8,500,000	9,000,000	1,000,000	1,000,000
BF	Rents & Recoveries	0	0	75,000	75,000	75,000	75,000
BH	Dept Revenues	280,000	700,000	280,000	280,000	0	(420,000)
BO	Pay Lieu Tax	0	0	4,500,000	4,500,000	4,500,000	4,500,000
TX	Special Taxes	5,970,000	5,970,000	5,970,000	5,970,000	0	0
	Total	**37,642,000**	**38,063,840**	**42,717,000**	**44,017,000**	**6,375,000**	**5,953,160**

The proposed revenue budget of the Treasurer's office is increasing by $6.4 million, or 16.9%. Much of this, $4.5 million, results from the transfer of payments in lieu of taxes from the Unallocated Revenue budget, where it appeared in FY 04, to the Treasurer. Interest on taxes, increasing by $800,000, or

3.4%, is made up of interest and penalties collected on late and delinquent taxes, and various tax lien related items.

Investment income is related to the financial management of County funds. OMB is projecting this revenue source to make budget this year. The proposed amount for FY 05 is an increase of $1 million to $9 million.

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. Each of these revenue sources has been budgeted for the same amount as in FY 04.

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 05 budget, $3 million, is the same as in FY 03 and FY 04. This could be optimistic since collections fell short of budget in 2003 and are forecasted to fall short of budget again in 2004.

The hotel/motel tax is a 3% sales tax attached to the nightly room rental rate. The collections of this tax are budgeted in two places, the Parks Department and the Treasurer's Department. The Treasurer's Department receives 75% of this revenue. Current FY 04 collections have been strong. If these trends continue, total 2004 hotel/motel tax collections will exceed budget by roughly 1.7% and surpass the 2003 actual by 6.7%. The FY 05 budget for this revenue source is being held constant at the FY 04 amount. This may prove conservative since, collections are expected to exceed budget this year and the travel industry is expected to see more growth in 2005. For more detail on forecast for the lodging industry in 2005 see the Economics Report. The state authorization to impose the hotel/motel tax will expire on December 31, 2005.

Current labor issues within the National Hockey League, if left unresolved, could impact FY 04 and FY 05 entertainment and hotel/motel tax collections. According to the Treasurer's Department, $972,000 of the County's annual entertainment tax collections come from the Islanders' home hockey games. Additionally, the Long Island Marriott says that approximately one to two percent of their annual revenues are derived from hockey season business.[1]

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. Historically, the racetrack collects roughly $35,000 per season from this tax. The FY 05 budget for this revenue source is consistent with historical collections.

Departmental revenues are collected from such sources as forfeited tax lien deposits, the holding of cash bail, and fees for bounced checks and court and trust fund cases. OMB is projecting a surplus of $420,000 for this revenue source in FY 04 due to a forfeiture recovery received from the default of a County construction contract.

[1] "NHL Lockout Hurting Nassau County Businesses", 1010WINS.com, September 17, 2004.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	2,295,292	2,168,537	2,239,640	2,749,640	454,348	581,103
BB	Equipment	8,000	6,900	10,350	9,832	1,832	2,932
DD	General Expenses	335,500	275,000	335,500	325,500	(10,000)	50,500
DE	Contractual Services	600,000	600,000	1,000,000	650,000	50,000	50,000
	Total OTPS	**943,500**	**881,900**	**1,345,850**	**985,332**	**41,832**	**103,432**
HF	Inter-Depart Charges	753,593	753,593	0	947,290	193,697	193,697
	Grand Total	**3,992,385**	**3,804,030**	**3,585,490**	**4,682,262**	**689,877**	**878,232**

The proposed FY 05 budget, less the inter-departmental charges, is increasing by approximately $496,000, or 15.3%. Most of this amount is allocated for salaries. As part of the Assessment and Assessment Review reform initiative, the accelerated processing of tax refund payments by the Treasurer's office is an essential component of meeting the pay-as-you-go deadline of FY 06 (see Executive Summary). Towards this end the Treasurer's proposed budget includes $510,000 for overtime. Additionally, CSEA employees will receive a salary adjustment of 3.5% as of January 1, 2005, and a step increase.

OTPS expenses are increasing by 4.4% to $985,332. The general expenses allocation is intended mainly for the advertising and public notice costs associated with publicizing the County's annual tax lien sale. These expenses are reimbursed by the lien purchaser. The contractual services allocation is increasing by $50,000 to $650,000.

The line for inter-departmental charges is included to more accurately identify and allocate the costs incurred by other departments on behalf of the County Treasurer. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest of these charges include $424,431 for the office's share of the information technology resources of the County, $225,896 for building occupancy, and $102,816 for postage.

County Treasurer Staffing Analysis	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	46	44	44	44	(2)	0

Staffing is being reduced by two full-time positions, bringing it in line with current headcount.

Out-Year Initiative

ID#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
BFTR01	Cash/ Receivable Management	$0	$1,500,000	$2,000,000	$2,000,000

The initiative for **cash receivable management,** previously described, is expected to grow to $1.5 million in 2006 and $2 million in years 2007 and 2008.

GENERAL FUND UNALLOCATED REVENUES

Total FY 05 General Fund unallocated revenues are increasing 3.0% from the adopted FY 04 budget. The increase is a function of greater sales tax and interfund revenues. In FY 05 Payment in Lieu of Taxes (PILOT) revenues are being budgeted for in the Treasurer's Department.

UNALLOCATED REVENUES BY OBJECT CLASS

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BD	Fines & Forfeits	2,145,552	2,145,552	2,145,552	2,145,552	0	0
BJ	Interdept Revenues	30,985,004	30,985,004	0	30,985,004	0	0
BO	PILOT	3,803,000	3,803,000	0	0	(3,803,000)	(3,803,000)
BS	OTB Profits	12,318,000	8,020,000	10,000,000	7,600,000	(4,718,000)	(420,000)
BW	Interfund Revenue	10,497,897	10,497,897	21,390,194	21,390,194	10,892,297	10,892,297
NA	NIFA Aid	15,000,000	7,500,000	7,500,000	7,500,000	(7,500,000)	0
TA	Sales Tax-Countywide	851,905,710	886,589,081	907,884,812	907,089,227	55,183,517	20,500,146
TB	Sales Tax-Part County	49,971,201	49,971,201	51,620,689	57,567,863	7,596,662	7,596,662
TL	Property Tax	136,984,462	141,247,363	136,984,462	113,681,277	(23,303,185)	(27,566,086)
TO	OTB 5 % Tax	7,187,000	7,187,000	7,187,000	6,900,000	(287,000)	(287,000)
	Total	**1,120,797,826**	**1,147,946,098**	**1,144,712,709**	**1,154,859,117**	**34,061,291**	**6,913,019**

The major changes in the Unallocated Revenues section are detailed below:

Fines & Forfeits This line is where the County budgets for forfeited bail and fines. These revenues are being held constant at their FY 04 budgeted amounts. The fine revenues budgeted for in this line are levied by the Court System and are recorded by the Treasurer. The courts charge a 2% fee on refunded bail and 100% fee on forfeited bail.

Interdepartmental revenues and interfund revenue The interfund revenue line is increasing by 104%. The line is used to budget for reimbursement of Sewer and Storm Water Resource District OTPS, PS and workers comp expenses. The expense is recorded in the Sewer Fund as an interfund charge.

OTB Profits and 5% Surcharges FY 04 was a challenging year for the horse-racing business. It had to contend with a new regulatory fees, higher pension costs, greater healthcare costs and legislative changes. FY 04's night simultcasting of thoroughbred racing was not as profitable as expected due to the inclusion of a hold harmless clause in the enabling legislation. Thoroughbred racing occurs during the day and harness racing occurs at night. To avoid negatively impacting the night time harness track business, OTB has had to make payments to the local harness tracks to keep their revenues constant at pre-night simultcasting levels. As a result of all these impediments, OLBR is estimating that OTB profits and surcharges will miss their FY 04 budgeted amount by roughly 25%. OLBR's OTB revenue projection is 9.9% less than what OMB is currently projecting. The major difference is OLBR's FY 04 $7.3 million estimate for OTB profits. OLBR is projecting FY 04 OTB surcharges to be $7.3 million. The FY 05 proposed budget is 26% less than the FY 04 adopted and 1% less than OLBR's FY 04 projections. Since all of the impediments listed above are long-term in nature and since no new revenue initiatives are currently in the works, the FY 05 budgeted decrease in OTB revenues seem reasonable.

NIFA Aid This line shows the transitional financial assistance provided to the County from NIFA. NIFA Aid is decreasing 50% from the FY 04 budget level to $7.5 million. FY 04 was supposed to be the last year of funding, but in the State budget, the aid was split between FY 04 and FY 05.

Sales Tax In FY 05 sales tax collections are projected to grow 3.0% from the current OMB projection. It is assumed that FY 04 sales tax collections will be 4.6% greater than the FY03 actual. The percentage increases are in line with current 2004 and 2005 economic forecasts of real GDP and CPI. For a more detailed analysis see the sales tax section in the Executive Summary.

Property tax In FY 05 the General Fund allocation of County property tax revenue is decreasing by 17.0%. For more discussion of the FY 05 property tax changes on all funds see the Executive Summary.

Out-Year Initiatives

ID#	NAME	FY 2005	FY 2006	FY 2007	FY 2008
BFBU04	Fee Increase	0	0	2,500,000	5,000,000

In the out-years of the Financial Plan, OMB plans to institute a **fee increase** initiative. The County will revaluate its fee structure to generate an additional $2.5 million in 2007 and 2008. In 2007 this initiative is estimated to generate an additional $2.5 million in annual County revenues from higher fees. Without prior knowledge of the specific fees and whether or not state or local legislative approval is necessary, the reasonableness of the estimate is uncertain. The 2007 fee increase is distinct and separate from the 2005 fee initiative, which is expected to yield $3.8 million. Descriptions of the FY 05 increases can be found in the individual write-ups for the Correctional Center, Fire Commissioner, Health Department, Planning Department, Medical Examiner, Parks, Recreation and Museums, Police Department, Treasurer and the Traffic and Parking Violations Agency.

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.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries, Wages & Fees	539,375	553,119	551,763	551,763	12,388	(1,356)
CC	Supplies	2,350	2,350	2,350	2,350	0	0
DD	General Expenses	3,200	371,840	3,200	3,200	0	(368,640)
	Total OTPS	**5,550**	**374,190**	**5,550**	**5,550**	**0**	**(368,640)**
HF	Inter-Depart Charges	443,118	452,068	0	432,625	(10,493)	(19,443)
	Grand Total	**988,043**	**1,379,377**	**557,313**	**989,938**	**1,895**	**(389,439)**

The FY 05 aggregate expense budget for the Veterans Service Agency will increase by less than 1%. The salaries account will increase by $12,388 to cover the cost of the CSEA contractual raises. This increase will be offset by decreasing Interdepartmental charges.

The general expenses account received a board transfer during the current year of $369,000. This money will be used by the department for a file imaging project. This accounts for the entire cost of this project for the Veteran Services Agency and is not included in the FY 05 budget.

Inter-departmental charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Veteran Services. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The largest components of the inter-departmental charges are for building occupancy charges of $329,868, information technology at a cost of $18,471, and $33,076 for printing, graphics and mail. The $5,500 OTPS funding will be used for traveling expense, education expense and general office expenses.

Veterans Services Agency
Staffing Analysis

	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	9	8	9	9	0	1

The FY 05 staffing levels are budgeted to remain flat for the operating year. Currently the department has eight employees, with plans of hiring a Veteran Counselor I during the FY 04 budget year.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BF Rents and Recoveries	0	57,670	0	0	0	(57,670)
FA Federal Aid - Reimbursable	57,670	57,670	0	33,855	(23,815)	(23,815)
SA State Aid - Reimbursable	32,500	32,500	66,355	32,500	0	0
Grand Total	**90,170**	**147,840**	**66,355**	**66,355**	**(23,815)**	**(81,485)**

The FY 05 aggregate revenue budget of the department is projected to decrease by $23,815. State aid revenue is anticipated to remain flat from the FY 04 level. The County receives from New York State $5,000 for the first 100,000 population, plus $2,500 for each additional 100,000 people. During the current year the department budgeted $57,670 from an initiative to gain accreditation by the National Association of County Veteran Officers. The OMB Rent and recoveries projection represents the 2003 portion of reimbursable expenses. The new affiliation qualified the department for reimbursable programmatic funding. The grant expired in June of 2004. The federal funding budgeted at $33,855 for the FY 05 budget represents a grant the department anticipates receiving to help homeless Veterans find employment.

NASSAU COUNTY YOUTH BOARD

The Youth Board plans, coordinates, funds and evaluates the youth services of Nassau County. It was established by Article 10A of County Government Law and was authorized through New York State Executive Law.

During the FY 04 budget year the department will be moving from 40 Main Street to 60 Charles Lindburg Boulevard. Due to the move the department's general expenses account received a $131,000 board transfer during the current year. This money will be used for a file imaging project. This accounts for the entire cost of this project for the Youth Board and is not included in the FY 05 budget. Although this project will not begin in 2004, the contract should be approved this year. Also, the Youth Board's building occupancy charges will increase from $305,633 to $433,551 as a result of the move.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	528,944	514,490	554,186	554,486	25,542	39,996
DD	General Expenses	2,000	129,740	2,025	1,725	(275)	(128,015)
DE	Contractual Services	7,110,230	7,170,230	6,866,394	6,866,394	(243,836)	(303,836)
	Total OTPS	**7,112,230**	**7,299,970**	**6,868,419**	**6,868,119**	**(244,111)**	**(431,851)**
HF	Inter-Depart Charges	487,285	519,774	0	593,777	106,492	74,003
	Grand Total	**8,128,459**	**8,334,234**	**7,422,605**	**8,016,382**	**(112,077)**	**(317,852)**

The salary expenses budgeted for FY 05 are funded $25,542 or 4.8% above the current year's funding. The increase is directly related to salary increases for the seven employees of the department.

The general expense budget of $1,725 appropriates $300 for general office expenses. The remaining $1,425 is budgeted to cover membership fees for the Executive Director of the Youth Board who is the president of the New York State Association of Youth Bureaus. Projected spending in FY 04 accounts for the previously mentioned imaging project.

The funding for miscellaneous contracts is used to fund special projects targeted to youth. The allocation for program agencies, which is related to community-based not-for-profit youth service agencies, will decrease $243,836 or 3.4% from FY 04 levels. This reduction represents the loss of contract staff that left during the year. Funding for these positions has been removed from the proposed budget and the work will be redistributed among the remaining staff. Presented on the following page is a detailed list of the Youth Board's FY 05 proposed contracts and associated funding.

NASSAU COUNTY YOUTH BOARD CONTRACTS

AGENCY	2005 CONTRACTS	AGENCY	2005 CONTRACTS
Advisory Council for the Youth of Mineola	189,500	Hispanic Counseling Center*	10,000
Big Brothers /Big Sisters of Long Island	46,000	I Support Roosevelt Committee	191,206
Circulo de la Hispanidad	154,810	La Fuerza Unida de Glen Cove	118,006
City of Glen Cove Youth Bureau	63,079	Littig House Community Center	135,568
City of Glen Cove Youth Bureau*	10,000	Littig House Community Center*	25,000
Comm. Wellness Council for the Bellmores/Merricks	15,000	Long Beach Martin Luther King Center	25,000
Concerned Citizens for Roslyn Youth	141,467	Long Beach REACH	189,630
COPAY, Inc	20,000	Long Island Advocacy	233,496
EAC-Mediation Alternative Project	39,969	LI Crisis Center - Runaway Homeless Youth	50,193
FCA/Nassau Haven	388,423	LI Crisis Center - Middle Earth Hotline	95,794
FCA/PACT (Parents and Children Together)	259,540	Manhasset/Great Neck E.O.C.	122,219
FCA/Walkabout for Young Men & Women	338,546	Nass. Cty. Coalition Against Domestic Violence	66,429
FCA/YAPP (Youth Adult/Participation Program)	119,523	North Shore Child & Family Guidance Assoc.	49,314
FCA/Youth and Community Development	716,872	Operation Get Ahead, Inc.	25,000
FCA/-Administration*	25,000	Project Challenge of Long Island, New York	134,000
Five Towns Community Center	303,821	Tempo Youth Services	25,000
Floral Park Youth Council	15,000	Time Out Club of Hempstead, Inc.	15,000
Freeport Pride, Inc.	246,590	Uniondale Community Council	162,000
Gateway Youth Outreach	258,218	Westbury Comm. Improvement Corp., Inc.	158,744
Gateway Youth Outreach*	50,000	YES Community Counseling Center	164,074
Glen Head/North Shore Youth Council	25,000	YES Community Counseling Center *	195,508
Hempstead Hispanic Civic Association	40,000	Yours, Ours, Mine Community Center	50,000
Hicksville Teen-Age Council	141,712	Youth & Family Counseling of OB/EN	213,649
Hicksville Teen-Age Council*	10,000	Youth & Family Counseling of OB/EN*	50,000
Hispanic Brotherhood of Rockville Centre	55,086	Youth & Family Counseling of OB/EN*	50,000
Hispanic Counseling Center	133,010	**sub-total**	**$6,360,995**

GANG AWARE INITIATIVE

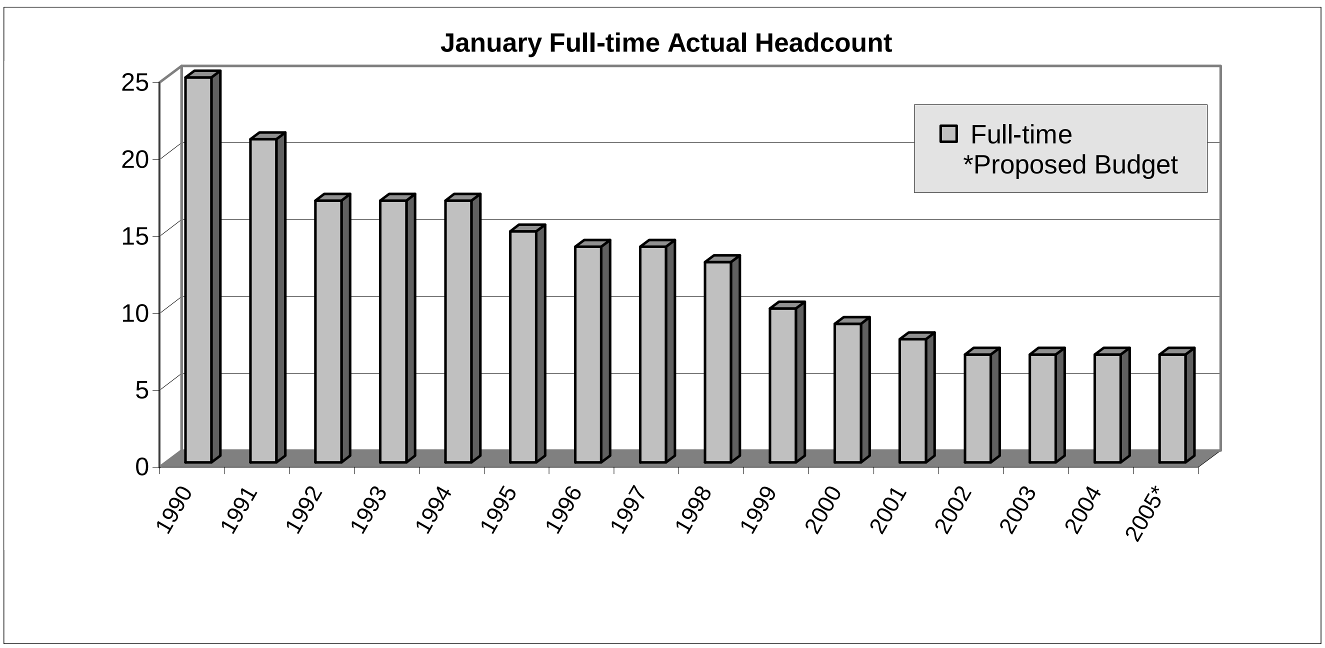
Advisory Council for the Youth of Mineola-Helping Youth Reach Their Potential	75,000
Five Towns Community Center-Youth Violence andGang Prevention Project	75,000
Freeport Pride, Inc.-Youth Direction Initiative	100,000
Gateway Youth Outreach-GIPP Gang Intervention Prevention Project	50,000
Operation Get Ahead, Inc.-Youth Violence and Gang Prevention	100,000
Uniondale Community Council-A Strong Uniondale Community Network	100,000
Long Island Crisis Center-True Colors	30,398
sub-total	**$530,398**
Total Contracts	**$6,891,393**
Budget Contracts	**$6,866,394**
To be determined	($24,999)

*** denotes collaboration**

It should be noted that the chart above only shows contracts which are funded through the general fund. In FY 04 the department also received $708,477 which was distributed through grants. Although the exact FY 05 grant amounts are not determined until later in the year, the department is anticipating funding at approximately the same level.

Nassau County Youth Board Staffing Analysis						
	FY 04 Adopted	**Sept-04 Actual**	**FY 05 Request**	**FY 05 Executive**	**Exec. vs 04 Adopt**	**Exec. vs Actual**
Full-time Staffing	7	7	7	7	0	0

The proposed budgeted staffing level of the Youth Board will remain flat at seven employees for the third consecutive year. Staffing levels have been significantly reduced from the FY 90 budgeted levels. The chart below shows the January full-time actual headcount for the Youth Board from FY 90 to the proposed fiscal year:



Historically as employees leave the department their positions are removed from the following year's budget. Additional responsibilities are then redistributed among the remaining staff. This has been the trend for the past 14 operating budgets and will continue with the proposed budget. The chart above shows a consistent year-to-year decline in the budgeted staffing level. Through attrition the department has lost 18 employees from FY 90 to FY 05.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BJ	Inter-departmental Revenues	0	50,000	0	0	0	(50,000)
SA	State Aid - Reimbursable	1,759,430	1,599,310	1,599,310	1,599,310	(160,120)	0
Grand Total		**1,759,430**	**1,649,310**	**1,599,310**	**1,599,310**	**(160,120)**	**(50,000)**

The aggregate revenue budget for the department will be decreased by $160,120 or 9% in FY 05. The total funding from the State is based on a per youth population allowance. The 2000 census showed 372,777 county residents age 0-20. Rates are based on 50% of eligible expenses up to a maximum set each year by New York State.