

BUDGET & FINANCE
AND
INFORMATION TECHNOLOGY
COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE

MINUTES

A meeting of the Budget & Finance and Information Technology Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on Tuesday, September 6, 2011.

Members Present:

Legislator DuWayne Gregory - Chairman
Legislator Jay Schneiderman - Vice-Chair
Legislator Ed Romaine
Legislator Tom Muratore
Legislator Lou D'Amaro

Also In Attendance:

George Nolan - Counsel to the Legislature
William Lindsay - Presiding Officer of the Suffolk County Legislature
Jason Richberg - Aide to Legislator Gregory
Renee Ortiz - Chief Deputy Clerk of the Legislature
Gail Vizzini - Director Budget Review Office
Robert Lipp - Deputy Director - Budget Review Office
Paul Perillie - Aide to Majority Caucus
Dennis Brown - County Attorney's Office
Catherine Stark - Aide to Legislator Schneiderman
Justin Littell - Aide to Legislator D'Amaro
Eric Kopp - County Executive's Office
Dot Kerrigan - AME
All Other Interested Parties

Minutes Taken By:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 10:08 A.M.*)

CHAIRMAN GREGORY:

Good morning, everybody. We are going to start today's Budget and Finance and Information Technology Committee Meeting today. Everyone welcome back from the holiday. We'll have the Pledge of Allegiance led by Legislator Muratore.

SALUTATION

Okay. We have we don't have any yellow cards. If there anyone in the audience who would like to speak for the public portion, please come forward. I see no one. Mr. Kopp, would you like to come and make a statement now? That's the same for -- all right. We will get to the agenda. Legislator Romaine is on his way, he will be here momentarily. Tabled Resolutions.

1397 - Directing the Department of Public Works to develop and issue an RFP for the sale and lease back of the H. Lee Dennison Building. (Romaine)

I make a motion to table.

LEG. D'AMARO:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **TABLED (VOTE: 4-0-0-1 Not Present: Leg. Romaine)**

1400 - Mitigating an anticipated budget shortfall by authorizing the sale of Suffolk County tax liens. (Kennedy)

I make a motion to table, seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **TABLED (VOTE: 5-0)**

1401 - Directing the County Executive to negotiate union concessions as a means of mitigating the budget shortfall. (Cooper)

I make a motion to table.

LEG. MURATORE:

Seconded by Legislator Muratore. All in favor? Opposed? Abstentions? **TABLED (VOTE: 5-0)**

1459 - Instituting a lag payroll in Fiscal Year 2011 for employees within the Suffolk County Board of Elections in Bargaining Units 21 and 24 to address revenue shortfalls and avoid a reduction in the workforce of County personnel. (Cooper)

I make a motion to table.

LEG. D'AMARO:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **TABLED (VOTE: 5-0)**

1460 - Authorizing a voluntary lag payroll for Elected Officials. (Cooper)

I make a motion to table.

LEG. D'AMARO:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro. All in favor? Opposed? Abstentions? **TABLED (VOTE: 5-0)**

1733 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 359. (Co. Exec.)

I make a motion to approve and place on the Consent Calendar, seconded by Legislator Muratore. All in favor? Opposed? Abstentions? **APPROVED AND PLACED ON THE CONSENT CALENDAR (VOTE: 5-0)**

1742 - To readjust, compromise, and grant refunds and charge-backs on real property correction of errors by: County Legislature (Control No. 867-2011). (Co. Exec.)

Same motion, same second, same vote. **APPROVED AND PLACED ON THE CONSENT CALENDAR (VOTE 5-0)**

1743 -To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 356. (Co. Exec.)

Same motion, same second, same vote. **APPROVED AND PLACED ON THE CONSENT CALENDAR (VOTE 5-0)**

1744 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 357. (Co. Exec.)

Same motion, same second, same vote. **APPROVED AND PLACED ON THE CONSENT CALENDAR (VOTE 5-0)**

1745 - To readjust, compromise, and grant refunds and chargebacks on correction or errors/County Treasurer by: County Legislature No. 358. (Co. Exec.)

Same motion, same second, same vote. **APPROVED AND PLACED ON THE CONSENT CALENDAR (VOTE 5-0)**

1760 - Amending the 2011 Operating Budget and appropriating funds in connection with bonding for a settlement for medical malpractice case against the County. (Co. Exec.)

I make a motion to approve. Do I have a second?

LEG. D'AMARO:

Second.

CHAIRMAN GREGORY:

Seconded by Legislator D'Amaro. Legislator Romaine, we anticipate your questions.

LEG. ROMAINE:

Well, I know it was \$600,000 and it was a medical malpractice. All I wanted to know is -- I assume this involved something at one of our clinics. Can someone address that question?

MS. LOLIS:

Gail Lolis, Deputy County Executive. Yes, it did, the Brentwood Clinic.

LEG. ROMAINE:

And this was a settlement in lieu of a trial?

MS. LOLIS:

This was a settlement that was reached in the midst of the trial actually.

LEG. ROMAINE:

In the midst of trial. I'd like to know what corrective were taken to ensure -- I assume that there was -- obviously, if we're paying this money, there was some either feeling of, one, we had some degree of liability; or, two, we felt that this was a case that the jury would not view favorably. Was there some finding of responsibility as far as the County was concerned that we entered into settlement?

MS. LOLIS:

There was no finding of liability. I think we're reaching the point now that if you want to get into the facts of it, we need to go into Executive Session.

LEG. ROMAINE:

I never want to trouble people for Executive Session, but I just wanted to know that. So you didn't think there was a liability, but -- all right. So is there any corrective action that needs to be taken in this particular -- as a result of this case.

MS. LOLIS:

I can't answer that at this point. Again, that's something I could more easily answer in an Executive Session.

LEG. ROMAINE:

Can you have that conversation with me at some point this week in my office? I'm not interested at pointing fingers at anyone. What I'm interested in with most of these cases is to figure out if there's corrective action that needs to be taken.

MS. LOLIS:

Absolutely, not a problem.

LEG. ROMAINE:

That's my role as a Legislator; to find out what the issue was and whether corrective action is needed and if that corrective action is being taken, because I've watched over the years, and many times some of the suits that we're involved in are the exact same suits, and the corrective action that should come after the first one isn't taken, and that's why there's a second, third and fourth. All right. If you could do that some day this week?

MS. LOLIS:

Certainly.

LEG. ROMAINE:

I appreciate that. Thank you.

CHAIRMAN GREGORY:
Legislator Schneiderman.

LEG. SCHNEIDERMAN:
Has Ways and Means released this yet?

MS. LOLIS:
Yes. We would never come here unless we've received Ways and Means' approval.

LEG. SCHNEIDERMAN:
Ways and Means, that's really the committee that gets into the detail of the settlement, right? They authorize the number, etcetera.

MS. LOLIS:
That is correct.

LEG. SCHNEIDERMAN:
Based on the facts.

MS. LOLIS:
We go through the facts very thoroughly with them in Executive Session.

LEG. SCHNEIDERMAN:
Okay. So this committee's role really is the expenditure and budgeting for the expenditure.

MS. LOLIS:
Exactly.

CHAIRMAN GREGORY:
Okay. We have a motion and a second. Okay. All in favor? Opposed? Abstentions?
APPROVED (VOTE: 5-0)

1771 - Authorizing the County Comptroller and the County Treasurer to transfer funds to cover the shortfall in Safety Net appropriations in the Department of Social Services. (Co. Exec.)

CHAIRMAN GREGORY:
I make a motion to approve. Do I have a second?

LEG. SCHNEIDERMAN:
Second.

CHAIRMAN GREGORY:
Seconded by Legislator Schneiderman. We have Mr. Kopp here from the administration who is going to make a statement and some remarks regarding this bill.

MR. KOPP:
Good morning, Mr. Chairman and Legislators. This morning, I am reading to you a statement from the County Executive. "IR 1771-2011 seeks the transfer of money in various funding lines to the State mandated Safety Net Social Services Program. Because of a change by New York State in its funding formulas, this year the State is requiring that Suffolk and all counties pay 71% of the cost of the Safety Net Assistance Program. Previously, the share was 50/50. Additionally, in this difficult

economy, the Department of Social Services continues to see an increase in applications for all of its services including Safety Net."

"The resolution seeks to make up \$8.7 million in unanticipated Safety Net expenses from other budget lines. Please be assured that this transfer will not result in the reduction of services from those other lines"

"On a much broader scale, this resolution shines a spotlight on the New York State Safety Net Program. I will be calling upon the Governor and our State Delegation to put an end to the mandated Safety Net Program, which provides additional years of taxpayer-financed public assistance after a recipient has had five years on the welfare rolls. New York is one of a few states in the nation that has concocted its own welfare programs to kick in after federal benefits expire to the detriment of taxpayers as New York attracts former recipients from other states to locate here and receive additional taxpayer financed benefits."

"The Department of Social Service has calculated that the number of persons who resided outside of New York State coming to Suffolk to apply for benefits, either Temporary Assistance, Family Assistance or Safety Net has increased over the last five years from 969 in 2007 to more than 1300 this year. This morning, I've asked the Department of Social Services to sample of 25% of the Safety Net applications for former out-of-state residency in order to clearly document the local financial impact on this state mandate."

"Furthermore, if New York State leaders do not wish to eliminate this practice that attracts out-of-state residents to New York's general social services package, I will also begin the steps outlined in this year's mandated relief legislation to make the case of Suffolk being relieved of this mandated cost. As was highly touted in the landmark Welfare Reform Package of the 1990's, recipients of federally mandated assistance programs are given five years in order to get themselves financially stable."

"Nowhere in the Federal Law is it required that a state pick up the tab after the five years. New York State's decision to absorb this liability negates the very reforms that were so highly touted a federal sponsored Welfare Reform Program which was designed as a path to self-sufficiency. There's simply no need for New York State Government to mandate additional years of assistance and to have the counties now pay 71% of the cost."

"I ask the Legislature to join with me in calling upon the Governor and State Legislature to end this counterproductive policy that New York has adopted. It is in the best interest of both the taxpayers and those who ultimately will benefit by becoming self-sufficient. Thank you.

CHAIRMAN GREGORY:

Okay. Legislator Schneiderman.

LEG. SCHNEIDERMAN:

Couple questions, Eric. Does this Safety Net Program go beyond the -- you know, the additional -- after the five years of welfare payments, does it go -- are there other aspects to the Safety Net Program or is that the entirety of it? And my second question will be where is the money coming from? What are they defunding to take care of this?

MR. KOPP:

You can see if you have the resolution up there it shows it transfers out.

LEG. SCHNEIDERMAN:

I do have it.

MS. BRANDEAU:

Good morning. I think Diane Dono probably -- from Budget Review who is the DSS analyst probably has the most thorough answer to that question.

MS. DONO:

As far as the time limits, that's my understanding, the five-year time limits apply. But there's other components of this Safety Net population who are mentally disabled and will probably never be able to come off of public assistance. So that's the other issue to consider, it's not just out-of-state residents coming here to access our public assistance benefits, which exceed other states. So there are other issues to consider. DSS would be the best to answer the time limit on any component.

LEG. SCHNEIDERMAN:

So there may be aspects of the program that we'd like to see continue?

MS. DONO:

Yes, I would say so.

LEG. SCHNEIDERMAN:

In terms of -- whoever can answer this. I've got a list of some of the money moving over; Family, Child, Adult Services, Child Support Services, Patient Care, there's a whole list. Can we move this money without impacting those other social service components?

MS. DONO:

I believe we analyzed -- all the respective analysts in Budget Review looked at the lines that were pertinent to our areas. And we had concerns regarding several of those lines, which it would be most appropriate for DSS to respond, and they were particularly related to the transfer of personnel funding from the Family and Children Services Division and from Child Support Enforcement. We are concerned about the CPS and foster care position not being able to be auto-filled. Child Support Enforcement is revenue generating as well as cost reducing by keeping people off of public assistance. So those are our concerns. DSS may have better response as to whether those concerns are something we should be worried about, those surpluses.

LEG. SCHNEIDERMAN:

It sounds like we have before us basically a bill to be paid within this Safety Net Program. And although some of us may, you know, think that the program shouldn't be there, we still have to pay the bill. So I guess the real question is, is the money we're using to pay the bill going to use impact other services. I guess we can't really answer that without DSS.

MS. DONO:

The other lines we have determined such as the Medicaid cap payment line, that is legitimate surplus. There was one line that was causing us some consternation, but that has been addressed. We feel that the surpluses in all those other lines are legitimate.

MS. BRANDEAU:

If I may. My understanding was that Deputy County Executive Naughton and the Budget Office had discussed with Budget Review these offset and that there was no issue, everything was agreed to that it was -- that there weren't problems. I thought that everything was resolved with that.

MS. VIZZINI:

I'll defer to Robert, but, yes, Mr. Lipp and Mr. Naughton did have some exchange of information. Diane prepared an e-mail, which was forwarded to all the committee members in terms of explaining the pros and cons of this very difficult budget. These are areas where right now there is an agreed

upon surplus. In the event that any of these areas should go into the red, then either reserves will be freed up or we will seek other areas of surplus to address those concerns. But we are dealing with a very, very limited appropriation resource.

LEG. SCHNEIDERMAN:

Do we know how time sensitive -- can this wait another cycle so we can hear from DSS, or is there a -- I mean, I might be willing to discharge without a recommendation here until we've heard from DSS. I'm a little bit -- you know, it's hard to support it without DSS saying that these -- you know, the family support services aren't going to be shut -- severely impacted.

MR. LIPP:

Just to put things into perspective. What Kim Brandeau was talking about was we did have a conversation with the Executive's Budget Office, and that related to health services, patient care and lab and medical supplies, and we did straighten that out.

That being said, what Diane Dono is talking about is our concerns that we didn't have a conversation about -- related to two line items in DSS for what amounts to 400,000 each or \$800,000. So those seem to be the only two that have some degree -- can be problematic that perhaps DSS needs to address.

LEG. SCHNEIDERMAN:

That would be Child Support Services and the Family, Child, Adult Services.

MR. LIPP:

Right, a \$400,000 line.

MS. BRANDEAU:

Those were not lines that you discussed with the Budget Office?

MR. LIPP:

That is correct.

MS. BRANDEAU:

Thank you for clarifying that.

LEG. SCHNEIDERMAN:

So that's 800,000 of the 8.7 million. All right. I'll defer to whoever is next.

CHAIRMAN GREGORY:

Legislator Romaine.

LEG. ROMAINE:

I see that well over \$1.1 million is being moved from red light cameras. I assume that's a surplus in that account.

MS. BRANDEAU:

Yes. That particular line is the -- did you want me to answer, legislator?

LEG. ROMAINE:

Whoever can answer, that would be wonderful.

MS. BRANDEAU:

That line is for the expenditure that's paid to the red light vendor. And because the overall program

numbers are down. As we had discussed going all the way back to March, there's going to be less expenditures coming out of that line, so that money is available.

LEG. ROMAINE:

Let's go over that again. You're telling me that the red light camera revenue is down, and therefore, our expenditures are down; is that correct?

MS. BRANDEAU:

Yes. The way that the program operates is the revenues come in to the County, and then on a monthly basis, the vendor bills us. We get all of the revenues upfront immediately, and then vendor bills and then we pay the vendor -- we have to pay him out of an expenditure line which that specific line.

LEG. ROMAINE:

But because the revenues are down, which really from a safety point is a good thing; a lot of people aren't running red lights. But the revenues are down, so our expenditures are down. I just want to get that understanding correct.

MR. KOPP:

I believe that is what she was saying. We've also had some discussions over time about revenues being less than originally budgeted, because we had a slow start to the program to begin with.

LEG. ROMAINE:

Right. Plus which, in terms of the County revenues, the vendor is getting such, such a large share of those revenues compared to the red light vendor in Nassau County. I guess that's why we're not going to be dealing with the resolution at Jay's committee today for the RFP to extend the current vendor for three years, that resolution was withdrawn.

LEG. SCHNEIDERMAN:

I believe there is a resolution.

LEG. ROMAINE:

I believe it was withdrawn.

LEG. SCHNEIDERMAN:

I believe they amended -- I talked to the Commissioner this morning. They amended one, the original resolution, but there's no CN. We will get to the bottom of that. But as far as I know, there is a -- according to the Commissioner, the red light issue will be in committee.

LEG. ROMAINE:

Oh, it will be in committee today. I'll have to have my office fax over some stuff to me. In any event, let me just go on and ask something about our Operating Budget. I'm going to be asking about the Social Service Department's Operating Budget. I'm going to be asking the comparison between the recommended budget and the requested budget.

My understanding is that this request would not be needed if the original requested budget by the Department of Social Services was honored. That, in fact, Social Services asked for this money in their requested budget, and it was deleted from the recommended budget. Here we are, nine months later, asking for this money because obviously, the Commissioner had a better handle on the expenditures of his department. And I want to ask a comparison of those numbers. Can you give me comparison of the requested and the recommended?

MS. DONO:

Legislator Romaine, the Department of Social Services requested for 2011 originally \$59 million and change. The Executive recommended, and that's what was adopted, was 53 and change.

LEG. ROMAINE:

So, in fact, if the requested budget request by the Commissioner of Social Services had come forward and had been adopted, there probably would be no need for this resolution; is that correct?

MS. DONO:

No. You would still need additional funding. This funding line has been extremely volatile and has exceeded anyone's projections, including our own, as to the demand for services within this line. I'll just give you a simple example. When we did our projections in October of last year, the costs were running 20% over the previous time period and actually wound up at the end of the year to be 30% over the previous year. It's a wild card. I've never seen this in this particular funding line.

LEG. ROMAINE:

I'm glad you mentioned that, because I do know there was a difference between the requested and the recommended of over \$7 million. As a former department head, I'm familiar with the ability to move funds back and forward up to 10% within the department to accommodate those types of surges. I don't disagree with the County Executive's statement, and I think he is shedding a light, and I do support that effort, but that's -- the difference between the requested and recommended is something that I want to bring to my colleagues attention, because I don't want to be in the position next year where we went with a lower recommended number and really the requested number was the real number and we're going to have to be filling holes all year with resolutions like this. That's my biggest concern as we look at 2012.

This is something that I know we have to support because of the need. I support the Executive shining a light on this issue, I think that's important. But I also want to point out that we have to -- carefully, as we look at the 2012 Operating Budget, look at the difference between the recommended and the requested, particularly from department heads with long experience like our Social Services Commissioner. Thank you.

LEG. D'AMARO:

Good morning. I wanted to ask, there's a 21% reduction in state aid as a result of the budget, I guess, enacted by the State. I'm a little curious about the timing. Why are we just finding out about this at this point now in September?

MS. DONO:

The loss of state aid was something that was adopted in the New York State budget. And in actuality, the \$8.7 million that's being requested to be transferred to cover the cost overruns in this line have nothing to do with the loss of state aid, nothing at all. This is 100% -- this is gross cost. We don't see the net cost on our budget. We pay the gross cost, and then we receive reimbursement. So what this means is the net cost will ultimately be higher to us after the loss of state aid. But the \$8.7 million is a gross cost overrun.

LEG. D'AMARO:

All right. So we pay upfront the 8.7 million that we're trying to move today, would help -- would meet the projected costs through the end of the year, and then when we get reimbursed, they'll be 21% less in reimbursement in effect? It says in one of the Whereas Clauses, the reimbursement rate from New York to the local counties for the Safety Net Program is reduced from 50% to 29%.

MS. DONO:

Yes. There's no federal funding for this program line.

LEG. D'AMARO:

I understand. So right now, we're just talking about the outlay, the total cost or the gross cost going forward. And we're estimating, based, I guess, on current caseloads and the way the caseload has grown that we will need another 8.7 million to get us to the end of the year.

MS. DONO:

That's correct. Our own projections at this point in time are very close to the projections in this Introductory Resolution. Ours are a tiny bit lower, but their number is safer and it's right in the range. So we're comfortable with that number.

I just think it's important to remember that when the State reduced the aid for Safety Net, it was also concurrently -- what was happening at the same time was a full federalization Family Assistance Program, which is the other major public assistance program. So we will be paying no local share at all of Family Assistance, that's the program that we were talking about that people time out of. So the trade off, at this point, we're actually probably going to be a little ahead of the game on a net basis. But if Safety Net continues to grow at the rate that it's growing, DSS has projected, and we agree with them, that it will ultimately wind up to be a net loss to Suffolk County.

LEG. D'AMARO:

I heard in the County Executive's comments that the Safety Net Program kicks in New York State for individuals who are beyond five years on receiving federal assistance; is that correct?

MS. DONO:

That's my understanding, but there's also another component of that population, and I don't know if they stay on that forever. But the homeless -- our homeless population shows up there as well as mentally disabled, alcohol and drug addicted people. I don't know if the five-year limit applies. I don't know that much about eligibility for that program.

LEG. D'AMARO:

So if I qualify -- if an individual qualifies for Safety Net, whatever that qualification may be, how long are you entitled to receive the benefit, if you qualify?

MS. DONO:

Generally speaking, five years, but I really don't know about the disabled component. That question would have to be addressed to --

LEG. D'AMARO:

What percentage of the program -- do you have a breakdown of the percentages of what amounts service what populations or which populations?

MS. DONO:

No. No. We are not given that kind of level of detail. The only program we ever had that kind of detail was for the Medicaid Program, not for Safety Net.

LEG. D'AMARO:

Mr. Kopp, I just want to ask you on those prepared remarks, the County Executive mentioned something about calling for an end to this type of program, it provides an incentive for people actually coming here to get the benefit, it's not offered anywhere else. You know, we can talk about all that at some future date. But do you know if he is calling for the complete elimination of the program or there are certain aspects of it that would be preserved?

MR. KOPP:

I'm actually not certain, Legislator D'Amaro, of that. I do believe he is looking to end the program.

LEG. D'AMARO:

Okay. And then one more question to the Budget Review Office. We talk about moving funds from these lines in the resolution to the Safety Net line and we talk about a surplus, and we talked about red light cameras, but I just want to understand what you mean by a surplus. For example, DPW Courts is targeted for 500,000. Is that funding in the budget that we anticipate will not be used? I'm just little perplexed by the fact that having such a difficult budget, that what we have this increased caseload that we can all of a sudden come up with these surpluses in almost \$9 million when we struggle every day to find, you know, money for health centers and all that. And I'm not saying that there's not some explanation for it, but when we were talking about health centers, it was my understanding that, you know, these were tight budgets and it would be difficult to come up with other funding. But yet, we're talking about these quote, unquote surpluses in all these lines. I'm a little confused by that.

MR. LIPP:

You are right on target. These are expenses that we will not be -- they're relatively safe, we won't be spending them, so they can be used as offsets. So in a myopic sense, the resolution is very sound in that sense. If you look at a global picture of the overall budget as you're talking about, yeah, we have significant problems in the budget. So, you know, it would help if those line items went to fund balance surplus as opposed to being used in a different way, in this case, obviously, for the Safety Net. So I think you have it right on target.

LEG. D'AMARO:

Right, because the budget anticipates a certain fund balance also. So this is impacting that. Is that the net effect of this?

MR. LIPP:

Well, the budget is adopted as a zero fund balance. That being said, off the top of my head, we ended up with, like, adopting a surplus from the previous year of, like, 22 million I believe it was in the General Fund. So therefore, to the extent that we don't regenerate the \$22 million, other things being equal, there would be a property tax increase of that amount.

LEG. D'AMARO:

All right. I understand that. But again, I'm a little perplexed at the fact that we can come up with \$8.7 million and all agree that we're not going to impact services and that these are called surpluses. I mean, I just didn't think we had that kind of money in our budget.

MR. LIPP:

I think you have it right, that these are surplus lines in the budget, so therefore, the resolution is good in that sense. But if you look at the overall bigger picture of the entire budget, you're 100% correct, this just adds a greater problem.

LEG. D'AMARO:

Okay. I understand. All right. Thank you.

CHAIRMAN GREGORY:

Robert, if you will, or Diane of whoever, can you just go into further detail on the two budget lines that you guys had some concerns with; Child Support and Family Services.

MS. DONO:

The two lines that I believe could be potentially problematic are related to \$400,000 from DSS in

two different major program areas. The one is 6010, which is Family and Children Services. And this is where CPS is housed. This is where your CPS and all your Foster Care positions are where the auto fill has been keeping a steady stream of employees keeping our children at risk safe here in Suffolk County. It's a extensive learning period for these employees. We have to keep a steady stream when positions are vacated. If this \$400,000 is taken, my concern was that the auto fill would not be able to continue.

At the last Health and Human Services Committee Meeting, DSS had indicated that they would be hiring some additional CPS workers towards the end of this year. So I wondered whether the \$400,000 reduction in that line would also impact their plans to hire additional CPS workers.

The other line is 6073-110, that's Child Support Enforcement. When we don't have enough child Support Investigators, we are going to see drops in the numbers of established child support court orders. Less collections, less incentives for the County, which we had been receiving because we do such a fine job of finding absent parents and making them pay for their children. But we also keep people off the rolls. We keep people off of public assistance, we help families to be independent. So my concern was will the \$400,000 impact their efforts to fill their vacated positions? Those were the two areas that I felt really should be addressed by Social Services. Will this hurt them? It would hurt us.

CHAIRMAN GREGORY:

I imagine that you voiced some of these questions or concerns to the administration or to someone or someone has voiced them. Have you gotten any response back yet? If so, what was that response?

MS. DONO:

Our discussions were informal regarding this issue.

MR. KOPP:

I would just like to point out that the two offsets that are being addressed here were both recommended to us by the Department of Social Services being manageable.

CHAIRMAN GREGORY:

Okay. I have some concerns about CPS. You know, I think we're all concerned about CPS and the caseloads that they have. We certainly don't want the unfortunate situations that happened in Nassau County that were highlighted and some other jurisdiction in the region. I know people, you know, that work in the department. It's a very stressed department. It's a stressful position, and it's a very stressed department with the caseloads. And to do something that may negatively impact or affect the caseworkers' ability to manage their caseload, I have great concern over.

As far as Child Support Enforcement, two years ago, I put extra money or I put a budget amendment in the budget for additional revenues for the very same reasons that you stated, because we realized that Suffolk County, I think, is one of the top in the state as far as collections for child support. We've been recognized for that. And there is a relationship between having the caseworkers -- more caseworkers and more support orders being in place and the decline in the need public assistance. So I have concerns about that as well, certainly not as much as the CPS situation. But I think that's a position where, you know, we take from one hand to pay to the other when, you know, we can put money in positions that can impact, you know, our budget lines in public assistance. I think that's something that we certainly should give due consideration. Legislator Schneiderman, you had a question or comment.

LEG. SCHNEIDERMAN:

I don't want to impact CPS either, it's too important, as well as the child support payment situation.

I will change my motion to discharge without recommendation when we get to that point. But I just wanted to clarify an issue, because based on the County Executive's letter, it certainly led me initially to believe that this \$8.7 million was an unanticipated situation. It's not the changing from 50% reimbursable to, you know, 70% now on the County, only 30% reimbursable, this is just something that the costs for this program have gone way above what could have reasonably been budgeted, or could we have -- you know, in our budget model, did we underestimate what this Safety Net Program would be? What was it last year? Did it just jump up by 8.7 million year to year, or did we under budget it?

MS. DONO:

The problem began in 2009, and the caseloads just kept on increasing. One of the statistics that was used in this resolution was a 54% increase in caseloads for Safety Net over a two-year period of time. It's unprecedented. And it really hit in 2010. I think everyone thought it was going to plateau. It did not plateau. And although it is beginning to show signs of coming down, we're still at like 17% growth rates, annual rates of growth in that caseload in Safety Net.

LEG. SCHNEIDERMAN:

So in our budget -- we would have -- in developing the 2011 Budget, we would have had the benefit of 2009 numbers, 2010, at least part of the year. Did we select 2008 instead when we did our budget model? What happened? Why were we so off in our projection? I mean, this is significant. Did we in 2010, did we have to do a course correction as well from -- in the budget similar to this?

MS. DONO:

2009, we did not see these kinds of double-digit increases in Safety Net. This really began in 2010. And DSS did, in fact, reflect that in their requests. But what happened at the end of 2010 when we were seeing 20% increases in cost at that time, wound up to be a 30% increase. No one could have projected that.

LEG. SCHNEIDERMAN:

Did we budget for a 20% increase? Robert, do you know? Does anybody know? Or did we stick with the old number, the 2009 number? That's my guess. We never made adjustments based on the rapid growth in this program. So we ended up adopting a budget with a very unrealistic -- this is my guess -- very unrealistic projection for this program. Robert, I see you nodding; am I right?

MR. LIPP:

You can make a case for that.

LEG. SCHNEIDERMAN:

Okay. So we adopted a budget that should have had a much higher guess in this line, in which case, we would have had to budget \$8 million or almost \$9 million more when we adopted the 2011 Budget.

MR. LIPP:

I think Legislator Romaine made the point before about the difference between the requested and recommended budget, but, unfortunately, this is where we stand right now.

CHAIRMAN GREGORY:

Legislator Lindsay is here with us. Do you want to make a comment or a question.

P.O. LINDSAY:

I apologize. I came in in the middle of the discussion. It's true that the State has cut the funding to this program at the same time that it's rising; am I correct on that?

MS. DONO:

Yes.

P.O. LINDSAY:

Okay. I mean, we could beat ourselves up all we want whether we budgeted the right amount. Where are we getting the money from? I mean, that's the bottom line. Where are we going to get the money from? You know, I hate to wallow on this, but this is just another situation where the State is just passing down more and more unfunded mandates to this County at a time when we are totally incapable of absorbing that extra cost.

I just looked at the pension bill the other day, \$46 million it's going up in 2012. Where are we getting \$46 million? In order to pay our bills, we have to lay off people. Our revenue is down because our sales tax is down. If you lay off people, that's less people that are going to spend money. I mean, we're like a gerbil on a treadmill; we just keep going round and round and nobody is helping us.

I mean, I think I've written three letters to the State this year asking for some relief on mandate relief. They talk about it, they talk about it, I see nothing. They just keep passing down costs to us. I'm very thankful we settled the health care -- health center issue. They wanted to clawback 20 million. Instead, they only clawed-back ten million, and we thought we won. I just -- I don't know where we are going to go. I just don't know where to go. And this is just another circumstance. It isn't a matter of budgeting, it's a matter of where are we going to get the money.

CHAIRMAN GREGORY:

I think they did answer your question, Legislator Lindsay, that the relief is to the State apparently, especially in this situation. We asked for mandate relief and they relieve themselves and give us a 20% increase in one year. Legislator D'Amaro, he was before you.

LEG. D'AMARO:

Go ahead.

LEG. SCHNEIDERMAN:

Presiding Officer, with all due respect, in the budget process, had we knew that we needed another \$9 million, we would have adopted a budget either with further reductions or with property tax increases, which nobody would want to do, but we would have had to have that debate. So we didn't. We adopted a budget based on assumptions, and now -- you know, we make those assumptions based on the advice we get. At least DSS was saying that we need \$9 million more. So I think there is some -- there is some blame. Going back, you know, hindsight is 20/20. But, you know, as we go into next year's budget, we want to make sure we have realistic assumptions about what the County's expenses are. We're going to have to deal with that either by cutting programs or finding revenues. It's not going to be easy, we all know that. It's going to be extremely challenging.

P.O. LINDSAY:

Legislator Schneiderman, you were on the Budget Working Group last year. You know how many programs we cut painfully. Nobody wanted to raise taxes. And I'll tell you again, nobody's going to want to raise taxes this year and nobody's going to want cut programs. So we're stuck with the same problem; how do we fill the hole?

LEG. SCHNEIDERMAN:

I agree completely.

MS. DONO:

Presiding Officer, just for your information, I will be bringing this point out in our analysis of the 2012 Budget, there is an additional problem to be considered with Safety Net for next year, and that is the 10% grant increase that the State has authorized for the cases within this program, they're passing the whole 10% cost along to the local districts.

We need to be united on taking a stand with the State as to what they are doing to the local districts in terms of this program that's mandated by them to us. And with regard to the problems with the budgeting, we did budget for a 20% increase in 2010, but it turned out to be a 30% increase. And then when you added the additional percentages on to a base that was already too low, the problem was compounded, and no one was right. No one was right.

CHAIRMAN GREGORY:

Legislator D'Amaro.

LEG. D'AMARO:

All right. I just completely agree with Presiding Officer Lindsay about the State. Instead of doing this to us constantly, they should be working with us and assisting state and -- local governments in getting through these tough times. But putting that issue aside, I wanted to ask you, I mean, this is a mandated cost, so we don't have a choice of whether or not to fund it. If someone meets the eligibility requirements, whatever that caseload is, we must pay the bill. But what if we don't? What happens?

MS. DONO:

I'm sorry, I can't answer that. That would have to be -- that would have to be DSS, but I would assume that we could face fiscal sanctions from the State, etcetera, the usual.

LEG. D'AMARO:

I mean, if we have an obligation to budget appropriately and protect taxpayers, you know, at what point do we have a right, if any, to say no to these increasingly -- increasing unfunded mandates? It's an interesting question.

I know that we are just a political subdivision of the State of New York and there's probably all types of ramifications for doing that, but, you know, sometimes you need to take a stand. What the Presiding Officer is talking about, I agree with. You know, he has taken the lead in trying to alert our state Representatives as to the problems that we are having here in Suffolk County. And a lot of them, you know, we have to deal with on our own, but some of them are truly directly a result of what the State of New York is doing in a situation like this.

So, you know, I wonder how high you have to jump or how loud you have to scream before Albany or at least the folks who represent us in Albany are going to take note of the fact that all they're doing is passing costs on to the County, which ultimately get passed on to their constituents as well as ours. So, you know, I'm not advocating anarchy, but I am saying that, you know, we need to do or maybe take the next step in advocating for yourselves and for County taxpayers.

The other question I wanted to ask you very quickly was this reduction in reimbursement is in the State Budget, but is there any chance that that could be changed, because the reimbursement doesn't come in until next year; is that correct?

MS. DONO:

No. It's in effect. That took effect January 1st, I believe. Both the federalization of the Family Assistance Program and the reduced state aid for Safety Net both took effect retroactively January, 2011.

LEG. D'AMARO:

January, 2011. So I guess we get reimbursed periodically throughout the year, is that how that works with the State of New York; we layout the funding, but then we get reimbursed, or does it happen all next year? Gail, do you know offhand?

MS. DONO:

The federal and state aid claiming process is an ongoing process. It's not just a once-a-year, it's continuous. It's seamless.

LEG. D'AMARO:

In order to decrease the impact, you would just need to amend -- well, actually, you'd have to deal with it in the next State Budget.

MS. DONO:

That's correct.

LEG. D'AMARO:

Right. Okay. I just wanted to understand that. Thank you.

MR. KOPP:

If I might. On the first question, Legislator D'Amaro was talking about anarchy or something close to it, which is not -- I have some recollection somewhere back here of the County not wanting to pay their station maintenance bills. And the result of that was New York State withholding sales tax revenues from the County to make up for our not paying the bill.

LEG. D'AMARO:

Right. I'm really thinking out loud on this. I'm not advocating, you know, a budget battle like you see in the Federal Government or anything like that or going eyeball to eyeball. But I just feel and share the frustration that my colleagues and especially the Presiding Officer feel because of the efforts being made in order to get the State to listen to these local governments, and they're not doing it. We need to find -- you know, I guess we need to ratchet it up. I don't know what we can do, but it's something to think about.

MR. KOPP:

It's a frustration that's shared by both branches of government in the County and so eloquently pointed out by the Presiding Officer.

LEG. D'AMARO:

Okay. Thank you.

CHAIRMAN GREGORY:

Okay. Last comment. Legislator Romaine.

LEG. ROMAINE:

Yes. On a totally unrelated subject, but I thought I would bring this up again, because I think it's important as we approach the budget, some time ago, I opined on the two percent tax cap that was adopted by the State. At the time, I was informed that it was in the aggregate. I've since attended a meeting of the East End Supervisors with my colleague Jay Schneiderman, listened to Assemblyman Theile and Senator LaValle talk about this, and they had quite the opposite opinion.

If you have a taxing jurisdiction that is a separate taxing jurisdiction, separate taxing district, that 2% cap applies to them. I specifically asked about the Police District, and they said, "Absolutely,

because that's different from the County General, and it's a separate taxing entity." And I asked about the sewer districts that the County operates, and they said, "Absolutely, that cap applies." I'm raising this now at the Budget and Finance Committee, because this could have tremendous implications in terms of the recommended budget, which the County Executive is going to release on Friday.

CHAIRMAN GREGORY:

How about we handle the horse that we've beaten to death already?

LEG. ROMAINE:

I've done it. Thank you.

LEG. SCHNEIDERMAN:

I think we should have a response, but after we've voted on this bill. I had made a motion to approve -- maybe I was the second. I'd like to withdraw that motion to approve, and I will support a discharge without recommendation, just because I'd like to hear from DSS, particularly on those two programs whether it's going to have adverse impacts.

CHAIRMAN GREGORY:

Okay. I'll second that. All right. All in favor? Opposed? Abstentions? **DISCHARGED WITHOUT RECOMMENDATION (VOTE: 5-0)**

LEG. ROMAINE:

I wanted to raise an issue before we adjourn, because I thought it was important.

P.O. LINDSAY:

You finished in mid sentence. What was the end of the sentence?

LEG. ROMAINE:

My end of the sentence is this something that obviously we need to get some definitive information on. And the County Executive is about to release on Friday his recommended budget. I would hope that the Executive's budget, despite all the other things that probably will be in it, which I'll comment on, but at least that we would have an opinion of how that 2% cap will apply if it's going to apply separately to each of the 22 or 23 sewer district and to the Police District since they are separate taxing entities.

And I would appreciate someone from the Budget Office and our Budget Review Office possibly getting back to myself and my colleagues as to how that applies. I'm on the Comptroller's website now, and apparently, it does apply. And that's going to have huge implications for the recommended budget and eventually for the for adopted budget that the Legislature is going to put forward. That's a concern. And I just want to make sure that we comply with State Law in terms of the tax cap and how that would apply, because apparently it doesn't apply in the aggregate.

P.O. LINDSAY:

So do you think the Executive is going to include a tax increases in his budget?

LEG. ROMAINE:

No, I don't -- I don't believe that that's the case. But obviously, we're going to have to deal with that issue. We'll deal with it -- you know, there's probably a lot of other things the Executive is going to include in the budget that I'm going to have concerns about like phantom revenues.

But that being said, I don't want to comment until I at least see the budget, which I'm sure I will five o'clock or something or 5:05 or 5:10, 5:15 or maybe 5:30 on Friday. I'm sure there will be a

release on Thursday, which we can't comment on because we haven't seen the budget. But I am concerned about phantom revenues. So with that said, thank you.

LEG. SCHNEIDERMAN:

The budget is not this Friday, Ed, I think it's the following Friday.

LEG. D'AMARO:

Yeah. And remember, there's a lot of exemptions to that tax cap as well.

LEG. ROMAINE:

Right.

P.O. LINDSAY:

I was just going to ask, if I might, Mr. Chairman, Budget Review was trying to get rules clarified on the tax cap. Did we ever get definitive answers from the State on how --

MR. LIPP:

I believe we're supposed to get the information this week, but we don't have the definitive answer yet. The budget is due out the third Friday, which is not this Friday but the next Friday, and the latest it would be, I believe is 4:59, not 5:05 or 5:15.

CHAIRMAN GREGORY:

We do have -- we do have one public speaker who came here late after we called it on the agenda, but we're going to give him the opportunity to come forward. We'll give him three minutes. Mr. Caplan.

MR. CAPLAN:

My name is Paul Caplan. I'm a resident of East Northport. I've spoken here before. What I hear from this body is the lack of desire or thought process about raising our property -- the General Fund Tax in Suffolk County. And unless this is going out to some type of a hearing, I think the Legislators think there's no way of bringing in any additional money that way.

Looking at my tax bill, which I do each year, the lowest part of the tax bill is my Suffolk County general taxes. My overall taxes are \$12,000 a year; \$90 a year is my Suffolk County General Fund Tax. Last year it was \$117, so it's actually gone down \$27. You know. My library taxes alone are \$350. And, of course, my school taxes are 7800. The school taxes this year went up \$290, and even my small library tax went up 20.

Why this Legislative body does not consider an increase of the incredibly small amount of the General Fund Tax is beyond me. Now, doing some research, if my \$90 annual bill went to 130 or 40 a year, it would bring in -- and I believe I need confirmation -- \$40 million to the County on a \$40 annual increase in General Fund Tax. So before the Legislators think that they can't possibly increase this dollar amount to the taxpayers, I would think again.

I brought up back in May how 124 out of 126 school district on Long Island passed their school budgets, and they had a 60% -- 60% of the vote was favorable with increases from three to 10%. In fact, Ms. Browning's community was 12.4. So taxpayer will pay additional sums if push comes to shove. This is such a small dollar. In percentage wise, it may equate to 30, 40 increase, but if properly explained that the dollar amount on a tax bill would only be approximately \$40. It's a tremendous way to increase revenue. And I just want to bring this to the attention of the Legislative body instead of constantly saying that, "Albany, Albany." We all know about Albany. We have to just find ways to work past that time. This would be, to me, an opportune time to just find a small increase in the property taxes. Thank you.

CHAIRMAN GREGORY:

Thank you, Mr. Caplan. We have no more business, no more speakers, we stand adjourned.
Thank you.

(*THE MEETING WAS ADJOURNED AT 11:10 A.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY