

OPERATING BUDGET

JOINT COMMITTEE HEARINGS

WAYS and MEANS

AND

BUDGET and FINANCE

The joint Operating Budget Committee Hearing of the Ways and Means and Budget and Finance Committees was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Smithtown, New York, on Thursday, October 23, 2006.

MEMBERS PRESENT:

Legislator Louis D'Amaro - Chairman of Ways and Means
Legislator John Kennedy - Member of Ways and Means
Legislator Edward Romaine - Member of Ways and Means
Legislator Kate Browning

ALSO IN ATTENDANCE:

Janet Walterstein - Child Care Council of Suffolk
Clarice Murphy - VIBS
Cheryl Felice - AME
Angie Carpenter - Suffolk County Treasurer
JoAnne Sanders - The Retreat
Christine Malafi - Suffolk County Attorney
Bob Scroope - Department of Law

MINUTES TAKEN BY:

Donna Catalano - Court Stenographer

(*THE MEETING WAS CALLED TO ORDER AT 10:00 A.M.*)

CHAIRMAN D'AMARO:

Good morning, everyone, and welcome to the joint meeting of the Budget and Finance and Ways and Means Committee. We're going to start the meeting off this morning with the Pledge of Allegiance. If you'd all please rise and join us in the Pledge led by Legislator Romaine.

SALUTATION

CHAIRMAN D'AMARO:

Okay. Again, good morning. We have a few more Legislators that are in route, so hopefully they will be joining us in a couple of minutes, but I do want to get started since it's already running late. We're going to, of course, this morning be hearing from the various departments in the County concerning the recommended 2007 Operating Budget. And to start that off -- this committee hearing, to start off, what I'm going to do is ask our Budget Review Office, Ms. Vizzini, the Director, just to give us a brief overview of the her review of that recommended budget as also contained in her report that was issued on October 19th. So Ms. Vizzini, good morning. Please, go ahead.

MS. VIZZINI:

Thank you, Mr. Chairman. The Budget Review Office Report basically deals with a number of things. I'd like to highlight for the committee a few of them. First of all, we echo our concerns regarding our continued dependance on fund balance. We have \$122 million fund balance. This year that fund balance was basically achieved by actions of New York State. We benefited from the Medicaid cap and a lag payment for retirement. We also reaped a continued benefit from our refunding of County debt, and we continue to reap some benefit from our restrictive hiring policies.

It will be extremely difficult to regenerate this fund balance -- a fund balance of this magnitude in 2008 and thereafter. Therefore, we are recommending that we look at this from a policy point of view, perhaps restricting the fund balance, establishing maybe a smaller fund balance, something more realistic.

We've looked at sales tax. The County Executive proposes a very modest rate of growth of about 2.5%, which is equal to an adjusted rate of 1.8%. Something we have not seen since 2001. We believe that we can still be conservative, but more likely a scenario of 3% or 2.75% unadjusted growth would be appropriate.

The budget is in compliance with the expenditure cap, but based on our calculations, it's not in compliance with the tax levy cap. This is really indicative of how complicated it is to calculate our levy caps. It's particularly because of the inconsistent treatment of two sources of revenue; the debt reserve and the retirement reserve. They are treated -- these are mandated revenue, they are treated as discretionary in the County Executive's calculations.

LEG. ROMAINE:

Mr. Chairman, could I ask a brief question? On that point, let me understand what you are saying. What you're saying is the County Executive's budget as presently presented is -- it pierces the tax cap; is that correct?

MS. VIZZINI:

Well, the County Executive's budget as presented uses a methodology whereby they are in compliance. Based on our calculations, the budget would not be in compliance with the tax levy cap.

LEG. ROMAINE:

So it does pierce the tax cap based on you calculations?

MS. VIZZINI:

Yes.

LEG. ROMAINE:

And that would mean under the current rules that to adopt the County exec's budget, a 14 vote is required?

MS. VIZZINI:

What it means is if you accept the County Executive's definition, then the 14 votes is not necessary. If you accept Budget Review's definition, it would require 14 votes. You would have to adjust the budget to -- in accordance with our calculations.

The budget includes a new fund in anticipation of settlement monies from LIPA. We would recommend that these settlement monies, if they materialize, since they are on behalf of LIPA ratepayers, that a policy decision be made to return in some manner those monies to the LIPA ratepayers or introduce programs on behalf of the LIPA ratepayers, rather than what is suggested in the budget, which is a rebate program for gasoline consuming noncommercial vehicle operators.

There are three revenue items, which are directly deposited in reserve funds, debt reserve specifically. We are recommending for purposes of transparency and an appropriate audit trail that these revenue items, which is 9.1 million in property taxes, 11.6 in Medicaid, 621 recoveries and 6.89 million in tobacco revenue first be shown to flow through the General Fund and then an appropriate policy decision made as to where those monies should be transferred. If debt reserve is the policy decision, then it would be in concurrence with the County Executive's budget.

LEG. KENNEDY:

Mr. Chair. Can I ask just a question on this as far as the debt stabilization? And I want to talk specifically about -- I tried to follow the flow through as you laid it out here. The 621 money that wound populating this fund, I believe, in the year that we're in, which was proposed last year, this was the first time debt stabilization was ever created?

MS. VIZZINI:

Yeah. Budget Review had long recommended a debt reserve, and it was created in the end of '05-2006.

LEG. KENNEDY:

Which, obviously, I think from a budgeting perspective affords us an important tool, because clearly we want to be able to go ahead and have something to look to if we want to go ahead and propose, I guess, that notion of stable debt and not be subject to spikes from year to year. But the choice as to how to populate the fund in the first instance, tell me a little bit again about how the County came to receive this 620 or 621 money? Characterize it for me, if you would, please. What is it?

MS. VIZZINI:

Well, the 621s are mentally ill patients who were under the care of the state and they were discharged from mental hospitals. And the terms and the conditions of the discharge were if these patients incur Medicaid costs, the state was going to pick up those costs. In practice, that's not what happened. The County actually picked up a significant portion of the Medicaid costs for the care of these deinstitutionalized patients.

All around the state, counties became aware of this by a variety of efforts. And the state recognized that many counties, particularly Suffolk County, had some valid documentation about individuals for whom we were paying Medicaid expenses who should have been a state expense. So in the 2006 budget, as we said, the debt reserve was established. And since at that point, which was about this

time last year, we really weren't sure whether there would be any kind of remedy. The money was put in anticipation of receiving it in debt reserve, meaning if we didn't get it, it wasn't like we used it to contract out for a homeless housing or housing for the mentally ill or something like that. It was put in a reserve.

In March, I think it was, of 2006, we actually received -- actually it was \$13 million that was put in debt reserve, we received the 11.6.

LEG. KENNEDY:

So it sounds to me as if this was a mechanism or some kind of a place holder that was actually put into the budget for receipt of this, not necessarily some kind of a decision on our part that, in fact, we would take reimbursements associated with care for the mentally ill and now voluntarily elect to go ahead and commit it to reserving debt across the board. We looked to a construct or procedural mechanism that would allow us to go ahead and receive the monies that were coming to us in some fashion.

MS. VIZZINI:

That's consistent with the opinion of the Budget Review Office in that we make many recommendations for changes to the 2006 estimates. And we believe that at this juncture you do have the opportunity to review the appropriate use of the monies that are in debt reserve. However, keep in mind that to mitigate the necessity to increase taxes in 2007, the debt reserve actually transferred \$23 million to the General Fund.

LEG. KENNEDY:

So we constructed a place holder, we subsequently received proceeds associated with decades of care for discharged mentally ill, and we're now being asked to go ahead take those proceeds and apply it towards holding a tax increase and keeping it stable in the General Fund. We do have an increase in the Police District and the Community College. But in the midst of, I guess, what transpired over time in the process or receipt back, we're being asked to go ahead and take these things and not apply it back towards care of mentally ill, but move it towards a flat tax.

MS. VIZZINI:

Yes. And these are the types of policy decisions that we ask you to look at. Also, just for clarification, when there was a concern about the quote, unquote budget shortfall, the Legislature did pass a resolution to mitigate the budget shortfall. At any rate, one of the provisions was that the funds in the reserves, the three reserves; debt reserve, catastrophic, and the retirement reserve, would go to mitigate the shortfall. So, again, these are policy decisions that we want to bring to the forefront.

LEG. KENNEDY:

All right, Mr. Chair. I'll yield on this. I do want to go ahead and explore this further, because obviously it's very significant, I believe, what we're being asked to do as far as a significant amount, many millions of dollars

CHAIRMAN D'AMARO:

All right. Why don't we do this, why don't we let Ms. Vizzini finish her brief presentation, and then we can continue with the questions?

LEG. ROMAINE:

I just have one quick question on the debt reserve.

CHAIRMAN D'AMARO:

Sure. Go ahead.

LEG. ROMAINE:

One quick question on the debt reserve. Did the County of Suffolk receive a late property tax payment or pilot payment from the Town of Islip in the sum of \$9 million in property tax? And instead of crediting it to the property tax line, was that credited to the debt reserve line?

MS. VIZZINI:

Yes. That's exactly -- that's the 9.1 that I mentioned, yes.

LEG. ROMAINE:

I see. So that would be up to the Legislature to make a determination if the Executive unilaterally, when he put it in the debt reserve fund, acted appropriately, whether that \$9 million could have been credited to the General Fund.

MS. VIZZINI:

Yes. We're actually recommending that it first be credited to the General Fund and then the Legislature determine what's the appropriate policy use of the money.

LEG. ROMAINE:

Thank you. That would give us \$9 million more to work with. Thank you very much.

CHAIRMAN D'AMARO:

Go ahead, please.

MS. VIZZINI:

I just have a few more things. The budget includes \$1.4 billion for personnel and salary related benefits. That's actually 52% of the total budget. Across all funds, the total budget is \$2.6 billion. The budget includes 11,931 authorized positions. The departments requested 213, 44 new positions were created, and 100 vacancies were abolished. Right now, County-wide, approximately 10.7% of all authorized positions are vacant.

The report makes numerous recommendations in terms of adjustments for revenue and adjustments for expenditures. We discussed the impact of the staffing levels and the prolonged vacancies on various departments. Those having the most adverse impact are Health, Probation, Public Works. Across the board we recommend filling existing positions, particularly in health services to address the needs throughout County operations, reinstating some of the abolished positions in FRES, the Sheriff and in Social Services.

We further recommended additional positions in Health, Probation, Social Services and Sheriff, including a class of Correction Officers possibly to begin in September of 2007 and an additional police class to begin in March of 2007.

CHAIRMAN D'AMARO:

Okay. All right. Thank you very much for that quick synopsis. Again, it's more detailed, of course, in the Budget Review Office review of the recommended budget. And with that concluded, if there no other questions at this time from Legislators, I will go ahead to calling our first individual who would like to address this joint committee this morning. And if you've joined us late, just be aware, if you'd like to address the committee, we'd appreciate if you would fill out one of these yellow cards just so I have your name and I can put you on the list. We will start with Janet Walerstein. Good morning. Please, go ahead.

MS. WALERSTEIN:

Good morning. My name is Janet Walerstein. I'm Executive Director of the Child Care Council of Suffolk. We are a not-for-profit agency that was incorporated in 1972, and we are known as a child care resource and referral agency. About 7000 parents contact each year for information and referrals for child care. We also recruit and train providers of care and register those caring for

children in their home and in school-aged facilities. We are also a sponsor of the Child and Adult Care Food Program providing reimbursements for meals served to children in programs.

Since 1985, we have had a contract with the County and funded through the Department of Social Services to expand our resource and referral services into minority communities and underserved areas. Through the 21 years we've been in contract, our funding has remained almost the same. At this juncture, the Department of Social Services has dramatically changed our contract based on their need to meet the TANF participation rate set by the Federal Government.

I might add that this was changed in the middle of the 2006 contract year to start these new services just this past October 1st. We agree to be on site at the Department of Labor five full days a per week to assist TANF recipient families who have work orders to find child care. We've also expanded our services to include assistance with the application process for subsidies. This is a tremendous shift from what our commitment has been.

Although we agree to and know this is an important support service greatly needed for this population. We find ourselves with a gap in resources to provide all the services that are vital for Suffolk County's families. As a result, we are in need of \$25,000 to continue to give the much needed support to working parents and to develop resources that are needed in the most areas.

In the Executive's current budget not only doesn't it reflect an expansion, it decreases our current funding by \$3000. Therefore, our ask becomes closer to 30,000. Please consider our request. And thank you for your concern and time.

CHAIRMAN D'AMARO:

Thank you, Ms. Walerstein. Any question from the committee?

LEG. KENNEDY:

Yes. Thank you, Mr. Chair. Good morning. Thank you for coming.

MS. WALERSTEIN:

Good morning.

LEG. KENNEDY:

Tell me a little bit about the number of folks, I guess, that you have with the Department of Labor with this additional initiative now that you've been invited to go ahead and participate in.

MS. WALERSTEIN:

Well, we can see about 50 parents a week at the Department of Labor, but it's a very intense process, because the parents who come in need to know -- it's an application process that's quite thick and lengthy in order to get the support that they need. And we are there helping them apply not only for the child care, but for the TANF funds as well so that they are -- they are in compliance. So we make a determination for them as well.

LEG. KENNEDY:

And as I understand it, with the receipt of the TANF funds, the work aspect is something that's encouraged with the recipients. And obviously it's important to help them to go through retraining, establishing themselves back in the environment. And obviously they need some place to have their children cared for while they're being --

MS. WALERSTEIN:

Right. Right. And that's why we felt it was important when Janet DeMarzo, the Commissioner, proposed this to us, because it is an impediment -- it could be an impediment to work orders or to retraining if they don't have proper child care.

LEG. KENNEDY:

I'm just curious in the budget process itself. You say that you were contacted by the department and asked to go ahead and participate in this. Perhaps through proposals submitted, you've come to agreement. Where was this, though, in the cycle throughout the year as far as you submitting your original request for a budget, say for '07? Did it come after you put your budget in?

MS. WALERSTEIN:

Yeah -- well, it came -- our contract actually was held up because of -- because there were changes that the Commissioner wanted to make before October 1st or before the end of the fiscal year, because of the participation rate that went up so high for Suffolk County. And she wanted to make sure that -- that child care was not going to be the issue where parents couldn't -- couldn't find child care.

LEG. KENNEDY:

All right. Let's hold the new piece, the TANF piece, on the side for a second. Notwithstanding that additional participation, you had your budget --

MS. WALERSTEIN:

Right.

LEG. KENNEDY:

-- absent that reduced by 3000.

MS. WALERSTEIN:

In the County Executive's budget.

LEG. KENNEDY:

And for your agency to operate, what do project as far as '07 compared to '06 as far as increased expense?

MS. WALERSTEIN:

Increased expense of close to 30,000.

LEG. KENNEDY:

Well, I understand that with this inclusion.

MS. WALERSTEIN:

Oh, it's a 100.

LEG. KENNEDY:

But even absent that, there would be a certain percentage increase your agency would have as far as increased utilities or increased --

MS. WALERSTEIN:

Absolutely.

LEG. KENNEDY:

A cost of health care.

MS. WALERSTEIN:

But we have not had any of those increases throughout the 21 years that we've been operating this contract. That has not been a part of the equation. We have -- we have -- you know, since -- since the inception of this, I don't believe we've had a raise in any -- of any form since 1990.

LEG. KENNEDY:

I don't want to a beat a dead horse, but I guess I'll just ask it one other way. So we -- the County came to you and asked you provide additional service, and we also decided to go ahead and give you less money. Is that, in essence, where we are at?

MS. WALERSTEIN:

Well, the County -- yes. The County Executive did, yes.

LEG. KENNEDY:

Okay. Thank you.

CHAIRMAN D'AMARO:

All right. Ms. Walerstein, before you go, just briefly, what is your total operating budget?

MS. WALERSTEIN:

Our total operating budget is 3 million with a pass-through of 1.25. So it's really a little other 4 million. We pass through to the child care providers 1.25 for their funding for the Child Care Food Program.

CHAIRMAN D'AMARO:

All right. But absent the pass-through, the Child Care Council is roughly \$3 million?

MS. WALERSTEIN:

Yes.

CHAIRMAN D'AMARO:

Is that projected in '06 -- '07 rather?

MS. WALERSTEIN:

Yes.

CHAIRMAN D'AMARO:

All right. And how much of that projected budget do you anticipate being funded other than by the County? What percentage is the County projected to pick up?

MS. WALERSTEIN:

The County projection is about 2%.

CHAIRMAN D'AMARO:

What was the total provided in '06 from the County?

MS. WALERSTEIN:

It was 104,000.

CHAIRMAN D'AMARO:

So Suffolk County funded 104,000 of a roughly \$3 million budget last year, is that accurate?

MS. WALERSTEIN:

Right.

CHAIRMAN D'AMARO:

And this year it's recommended in the '07 to go down to 101.

MS. WALERSTEIN:

It's just about 101, yes. I don't have that right here. But it's a \$3000 deduction. I think it's just about 100,000.

CHAIRMAN D'AMARO:

Now, taking on the new responsibilities that the County -- through your testimony you stated the County has asked you to take on further responsibilities.

MS. WALERSTEIN:

Right.

CHAIRMAN D'AMARO:

What additional staffing is required for that?

MS. WALERSTEIN:

We have used our staffing that we have now to shift into this area. So therefore, it has cut down on our operation in-house. So we are using -- because of, you know, the lack of funding, we have used our staff, and they're kind of taking turns being there on-site so that our resource and referral department in the office remains covered, and then -- so they take turns getting out to the Department of Labor and coming back. So we're there from 9:30 to 4:30 with -- we've worked out a pattern with the current staff.

But what has happened, we were -- we were under this contract, funding -- had funding for the minority communities that this contract was specifically for, and that is being cut back. The person who was out there in -- on the East End and doing the -- in minority communities, we have to cut that back, because we can't shift the services.

CHAIRMAN D'AMARO:

Give me the specifics on the cutback. What is the cutback?

MS. WALERSTEIN:

The cutback is about 25,000.

CHAIRMAN D'AMARO:

No. No. I mean, as far as day-to-day operations where you cannot provide sufficient personnel yourself.

MS. WALERSTEIN:

The personnel for the -- that we have -- we have an office on the East End -- we have two offices on the East End. One is being given to us gratis by the Town of Southampton and one on the Town of Riverhead. And we have that person out there for recruitment, for training, for helping providers, for helping parents and working with the Child Care Food Program so that that -- that has to shift. And we're left sort of in limbo at this point, because it's in the middle of the contract year.

CHAIRMAN D'AMARO:

So that person who that was dedicated to those sites is not there as often, is that what you're saying?

MS. WALERSTEIN:

She's not there as often. We have done some fundraising, private fundraising, in order to maintain that position.

CHAIRMAN D'AMARO:

All right. But the person that's in that area is still going there generally, but not as often, because you need to use that time for these additional --

MS. WALERSTEIN:

Yes. Right. Right.

CHAIRMAN D'AMARO:

So how many hours are we talking? What kind of additional personnel do you need to be at a level where you would like to be?

MS. WALERSTEIN:

We need -- we need an additional four-day-a-week person.

CHAIRMAN D'AMARO:

One additional four-day-a-week person. Okay. Thank you. I appreciate your help. Any other questions? Thank you, again.

MS. WALERSTEIN:

Thank you.

CHAIRMAN D'AMARO:

Okay. I just note for the record that Legislator Kate Browning has now joined us. Next person is Clarice Murphy.

MS. MURPHY:

Hi. Good morning. I'm Associate Director of Victim Information Bureau of Suffolk, otherwise known as VIBS. On behalf of the hundreds of victims of domestic violence and sexual assault in Suffolk County, I'm here this morning to address the urgent need to sustain adequate funding for counseling advocacy, preventive education and other services for survivors of these crimes.

To give you an idea of the numbers of survivors of these crimes, in 2005, VIBS provided counseling to more than 1400 adults and children and handled more than 7000 hotline calls. VIBS Sexual Assault Nurse Examiner Program conducted forensic exams on 200 rape victims. That's about four rapes a week, and that doesn't include the majority of sex crimes that are never reported, but whose victims we still serve. By the way, the majority of victims served at the SANE Center are between the ages of 15 and 16.

We are grateful that the County Executive gave VIBS a small cost of increase, although it does not match the actual cost increases of maintaining our services. In response to the Vital Signs Reports, which documented Suffolk County with the highest state-wide per capita rate of domestic violence, Mr. Levy added 12,000 to our DSS contract. We will put Mr. Levy's increase to good use by expanding outreach to underserved communities, but 12,000 will not go very far.

In spite of Mr. Levy's efforts, VIBS clients will suffer loss of services without renewal of funds that the Legislature added to VIBS' 2006 budget. We put the funds to good use on behalf of adult and child victims of domestic violence, we enhanced VIBS partnership with Child Protective Services, enabling us to provide counseling and other services to parents and children referred by CPS, which reduced the likelihood of foster care placement. We expanded our children's program allowing therapists to help more children who witnessed domestic violence and children who have been sexually assaulted. We increased advocacy services for those clients facing poverty and/or homelessness. And we've supported preventive education in schools.

In addition to requesting renewal of the funding provided last year to our DSS budget, I would like to request \$5000 to be added to our contract with Probation to support the same program. Coordinated by VIBS, this program is a partnership including the Police Department, the DA's Office and three hospitals. This compassionate approach to treating traumatized survivors ensures good health care for the patient and a clean chain of evidence for investigation and prosecution.

Current staffing levels are not adequate for the program, and \$5000 would allow VIBS to increase the part time coordinator's position to full time. We appreciate the constraints of the County budget and the many requests that Legislators receive from worthy organizations. Nevertheless, the nature of the crimes committed against VIBS clients and the urgency of their needs are compelling. Thank you for your support.

CHAIRMAN D'AMARO:

Okay. Thank you very much, Ms. Murphy. And Legislator Kennedy, please go ahead.

LEG. KENNEDY:

Thank you. Thank you for coming here this morning. Just two quick questions. Tell me specifically, I guess, about the DSS contract. What is it? What do we contract with you for to deal with specifically.

MS. MURPHY:

Specifically, the overall contract allows us to provide counseling for victim of domestic violence, counseling for child witnesses, including those whose parents have been murdered, preventive education in all the schools throughout Suffolk County, particularly western, as well as legal advocacy in all of the courts in Suffolk County, at District, Family level, Supreme Court, etcetera.

LEG. KENNEDY:

I'm familiar with the courts in some fashion from years ago. So this is the advocates or the assistants that go in when folks are looking for Orders of Protection or temporary Orders of Protection.

MS. MURPHY:

That's correct. In the last few years, the request for advocacy, while a good thing, has significantly placed a strain on all the DV agencies in the County. We now have two specific domestic violence courts, there's a specific domestic violence part in Family Court, there's an integrated domestic violence court at the Supreme Court level. There's now going to be a sex offender court, there's a mental health court. The need is increasing year by year. Again, we're glad to be available, but --

LEG. KENNEDY:

And your advocates are asked or requested to go ahead and be there with the victims as they appear at many of these various forums?

MS. MURPHY:

Right. They're both for victims who are our agencies own clients, but there also there to be available for anyone that the judge has asked us to speak to that is not already known to us.

LEG. KENNEDY:

So even if a petitioner was unaware, they might go ahead and right there as they appear at the court go ahead and engage with some of your folks to go ahead and get some assistance --

MS. MURPHY:

Yes.

LEG. KENNEDY:

With completing the petition.

MS. MURPHY:

Yes.

LEG. KENNEDY:

How much is contract in total that we have with DSS -- or what we through DSS have with you, I'm sorry.

MS. MURPHY:

The original last year contract was in the neighborhood of 502,000. The additional monies added was another 124,000.

LEG. KENNEDY:

502 plus 124?

MS. MURPHY:

If I may continue.

LEG. KENNEDY:

Please.

MS. MURPHY:

If that funding is not restored, we would lose one advocate, one adult counselor, two part time children's counselors and some community ed money.

LEG. KENNEDY:

Okay. Then I'm confused, which is not a hard thing to do.

MS. MURPHY:

Okay.

LEG. KENNEDY:

502 plus 124, but the '07 does not include that additional 124.

MS. MURPHY:

That's correct.

LEG. KENNEDY:

Oh, it's absent 124,000?

MS. MURPHY:

Correct.

LEG. KENNEDY:

So while the County Exec may have increased, I guess, your 502 base by twelve grand, you also sustained a loss of 124, meaning you have a net loss in that area of 112,000.

MS. MURPHY:

That's correct. That additional 12,000 was specifically for a new project that the DV agencies have committed to by extending counseling in underserved communities. So it's a new project that the Exec approved of after this Vital Signs Report, specifically to reach the underserved. It's not maintaining what we already do.

LEG. KENNEDY:

Okay. I think I understand those numbers a little better, I believe. I'm not quite sure. But you also talked about the SANE Program, which I understand is nurse practitioners that actually go ahead and appear on site at the ERs to go ahead and go through the protocol with rape victims.

MS. MURPHY:

Exactly. There's three centers in the County; one at Good Sam Hospital, one at Mather Hospital and one at Peconic Bay Medical Center in Riverhead. The nurses are specifically trained in how to provide the legal forensic exam needed while still really providing compassionate care to victims. The nurses then subsequently, if the case goes to trial, provide testimony about the results of that exam.

LEG. KENNEDY:

So they can appear as an expert witness?

MS. MURPHY:

Exactly.

LEG. KENNEDY:

We have 13 ERs throughout the County of Suffolk. Have any other hospitals sought to participate in this program?

MS. MURPHY:

Yeah. We're currently in dialog with Brookhaven Hospital, and we are receiving currently a request from Stony Brook Hospital. As you can imagine, the coordinator of this program acts as a liaison for every singly victim with the Police Department, the District Attorney's Office, the hospitals, the SANE nurses, etcetera. So she currently only works 25 hours a week. The demand is higher than we are able to keep up with at the moment.

LEG. KENNEDY:

Unfortunate.

MS. MURPHY:

New York State Department of Health hopes that by year 2014, 75% of all the hospitals in New York State have SANE centers. So we're trying to work up to that level.

LEG. KENNEDY:

Okay. Thank you very much. I appreciate the information.

MS. MURPHY:

Okay. Thank you.

LEG. D'AMARO:

Thank you. What is the -- before you go, what is the total budget in '07 for the SANE Program?

MS. MURPHY:

We receive through the County \$45,000 for us to provide direct services, which in addition to the coordination of the SANE centers include some bilingual counseling hours and preventive ed hours. There's another \$10,000 allotted passed through us to pay the SANEs for on-call hours, and then the rest of the program is fund through the State Division of Criminal Justice Services. The total budget for the SANE Program is \$123,000.

CHAIRMAN D'AMARO:

Okay. And just to recap your prior representation to the committee, if you were not to receive, I guess, the additional 129,000 that you're requesting for this year -- because the 12,000 increase in the recommended budget was for a dedicated program that you didn't have last year; is that correct?

MS. MURPHY:

Correct.

CHAIRMAN D'AMARO:

What would be the positions affected? Give me that one more time.

MS. MURPHY:

One adult -- one counselor position specifically for adults, two part time counseling positions specifically for children, one legal advocacy position and some part time community education hours.

CHAIRMAN D'AMARO:

Okay. Now, how many -- you would lose one adult counselor, one child counselor, one legal advocacy, and what was fourth item? I'm sorry.

MS. MURPHY:

Some part time community education hours, preventive education in high schools, etcetera.

CHAIRMAN D'AMARO:

Through the personnel obviously going -- what is that program, going to high schools for educational purposes?

MS. MURPHY:

Right. Elementary, Middle School, High Schools, Colleges.

CHAIRMAN D'AMARO:

And that would be one part time person?

MS. MURPHY:

Yeah. In the neighborhood of 15 hours.

CHAIRMAN D'AMARO:

All right. Now, the one adult counselor you would lose, how many do you presently have on staff now in that same category, roughly if you don't have specifics?

MS. MURPHY:

Let me just think for a second.

CHAIRMAN D'AMARO:

Sure.

MS. MURPHY:

There's, within the whole contract, seven counselors, three of them full time. This specific counselor funded through that 124,000 is the one that specifically works with clients who are referred to us through our CPS partnership.

CHAIRMAN D'AMARO:

Okay.

MS. MURPHY:

So what she does is assist them with safety planning, but she also works very closely with CPS caseworkers, keeps them up-to-date on the status of the case, helps the CPS worker if the CPS worker is having any difficulty working with the victim around domestic violence and protecting her children.

CHAIRMAN D'AMARO:

Right. So that one counselor funded through the 120 whatever has -- it's a specific individual and specific function that we're talking about, but similar counselors in your office -- there are seven others, is that what you said?

MS. MURPHY:

That's correct?

CHAIRMAN D'AMARO:

Full and part time. And what about the same question for the child counselors?

MS. MURPHY:

The child counselors, there's one part time position currently on the DSS grant, there's one -- the Director of the Children Services is on the DSS grant, and then we have three interns currently.

CHAIRMAN D'AMARO:

Okay. So that's a total of five, or two with three interns. Okay. And how much -- you said that was about 15 hours on the educational time. Fifteen hours weekly or monthly?

MS. MURPHY:

Weekly.

CHAIRMAN D'AMARO:

Okay. And legal advocacy you would lose one person?

MS. MURPHY:

That's correct?

CHAIRMAN D'AMARO:

How many remaining -- or how many do you have presently rather?

MS. MURPHY:

We have six currently.

CHAIRMAN D'AMARO:

Just give me a brief job description on that.

MS. MURPHY:

Of the legal advocates?

CHAIRMAN D'AMARO:

Please, yeah.

MS. MURPHY:

They do all sorts of things. First of all, they rotate coverage of all the courts in Suffolk County where victims of domestic violence may appear, they spend pretty much all day from 9:00 in the morning to 4:00 in the afternoon at courts helping victims petition and apply for Orders of Protection, understanding their legal rights, providing support, they go to the Grand Jury with victims, they go to the Police Departments with victims, they advocate for panic alarms, emergency cell phones, provide accompaniment and support through trials.

CHAIRMAN D'AMARO:

Okay. Last question is of the 129 requested, there are four areas that you say would be affected if that's not enacted. Can you allocate dollars to each one for me roughly?

MS. MURPHY:

Roughly.

CHAIRMAN D'AMARO:

Sure.

MS. MURPHY:

For the counseling position, it should be in the neighborhood of \$36,000.

CHAIRMAN D'AMARO:

Okay. And the legal advocacy?

MS. MURPHY:

The legal advocacy would be lower, it's more like \$30,000.

CHAIRMAN D'AMARO:

Okay. And the two part time child counselors?

MS. MURPHY:

I'm sorry, this one I'm doing my guess on. They make an average of about \$19 an hour for two of those positions, a total of 16 hours of counseling time per week.

CHAIRMAN D'AMARO:

Okay. And the education, how much is budgeted -- how much would you lose in your budget?

MS. MURPHY:

The educators make approximately also about \$18 per hour, and that's 15 per week. Obviously, the rest is fringe benefits and administrative costs.

CHAIRMAN D'AMARO:

Sure. Okay. Any other questions? Legislator Kennedy.

LEG. KENNEDY:

Yeah. Just a follow up. Thank you. That helps quite a bit as a matter of fact going through some of the breakdown. You mention an on-call stipend or funding associated with the SANE NPs.

MS. MURPHY:

Yes.

LEG. KENNEDY:

How much do they get?

MS. MURPHY:

I'm sorry?

LEG. KENNEDY:

How much do they get per hour?

MS. MURPHY:

They unfortunately get the very sad rate of \$5 per hour.

LEG. KENNEDY:

Five dollars?

MS. MURPHY:

Five dollars. These are nurses trained -- you know, RN's with experience, etcetera, who are committed to helping.

LEG. KENNEDY:

NPs are at the Master level, yes. I understand. Thank you. And the legal advocates, there was a program at one point, and again, I'm just not familiar with it currently, but there was a program at one time where law students were actually assisting in the course to go ahead and advocate. I don't know if they worked with your agency or through your agency. Is there anything going on with any of our local law schools, Touro or St. John's, or any of the programs provide students to advocate or assist?

MS. MURPHY:

Yeah. Touro students work with Nassau-Suffolk Law Services and assist victims of DV who could not afford an attorney, file for divorce, etcetera and so on. Touro has also, because they're expanding this year in their building, they have agreed to partnership with many of the DV agencies such that we could have some space at their new building across from the courts if we agree that Touro Law students could work with us with our cases -- with our clients. They wouldn't be serving the same function, they'd be more helping prepare for trials, that sort of thing

LEG. KENNEDY:

Okay. Thank you. Thank you, Mr. Chair.

MS. MURPHY:

Thank you very much.

CHAIRMAN D'AMARO:

All right. Thank you also for your time, Ms. Murphy and Legislator Kennedy. We'll move one. Next person, Cheryl Felice of AME. Good morning.

MS. FELICE:

Good morning. How are you?

CHAIRMAN D'AMARO:

Fine.

MS. FELICE:

Thank you for the opportunity to speak before you. My name is Cheryl Felice. I'm President of AME, representing over 8000 active and retired members of Suffolk County workers.

Before I begin, I would just like to compliment both the Budget Office and the Office of Budget Review for the fine work that they did once again with the budget. We do not underestimate the tedious work that goes -- is involved in preparing the budget. Nonetheless, we do -- considering that we are 52% of that budget, all the workers in Suffolk County feel that it's important for us to take our view and present it to you for consideration on modifications to the budget. So before we get started, I would just like to remind the Legislature that this is the fourth consecutive year that I on behalf of AME have appeared before you. Our observations and suggestions we hope will be useful.

We have a number of unit presidents with us today as well as our auditing team who have prepared our statements for you today. I would just like to thank them for being here, and remind you that those are the faces of your constituent services, and they're here to support adopting the budget with the hopefully recommended recommendations that we have -- will suggest.

So for 2007, Suffolk is faced with a budget proposal that has concerns over the smart government ideas. The County Executive's fiscal conservatism has resulted in a budget that may earn high

remarks from the bond raters, but could result in failing marks from the citizens of Suffolk County and our County workforce. We wholeheartedly agree with Newsday's editorial of October 16th, 2006, from which I quote, one question Legislators should ask and probably will is whether Levy's tightfistedness is hurting essential services. It's honorable to be fiscally conservative as long as it doesn't result in the service reductions to those of our population that so desperately need those services.

In this year's budget, preparation instructions to the Budget Office advised agencies to submit proposals that contained no growth. Commissioners were mandated not to submit requests for new positions. Agency Commissioners who is entrusted with acknowledging the details and the pulse of the clients' needs are being forced to suppress their real needs when submitting their budgets. This is being done in the interest of a zero sum game budget. In fact, this year we have less than a zero sum game as the recommended positions of 11,931 is 56 positions less than 2006 modified budget. Without critical input from the agencies, the Budget Office could just centrally prepared and submit the entire County budget. This results in a top-down approach that excludes input from the interested parties.

The County Executive's conservative budget philosophy is getting rave reviews, but again, we have concerns. Head counts keeps going down, caseloads and workers -- and workloads are going up. Our own surveys indicate this, our own member surveys. BRO states that Suffolk County's average number of CPS reports per worker is higher than five of the six most comparable counties in New York State. Vacancies are still going unfilled, and the hiring of workers through the SCIN process is still unacceptably slow.

Turnover savings is being used to disguise the real story of fewer funded positions for staffing. The budget has proposed the abolishment of 100 vacant position -- vacant positions so the County can continue to deliver services at an affordable cost. But does affordable translate into acceptable? The \$16 million gasoline tax rebate is too little too late. In addition, the County Executive does not have a sound funding source to pay for this. When the County Legislature introduced their gas tax plan in June, it was attacked for not having a funding source. The proposed funding source is based on an unsettled lawsuit between the County and the Long Island Power Authority. This issue has been dumped squarely at the Legislators' door step.

Although the County Executive has created a pool of five nurses to reduce overtime and contracting out, more must be done to address the critical shortages of nurses and implement the department's 2005 Career Ladder Report on upgrading the nurses titles. The County Executive claims his Workforce Housing Program is more than cosmetic. AME suggests providing affordable housing to attract more nurses to Suffolk County. In addition, why not look at New York City and what they have done to attract and retain teaching personnel and use a housing initiative for all County personnel?

On page 411 of the County budget, Levy states consultants are costly. Yet the County continues the practice of using high priced contractors who may or may not perform their task as well or as cost effectively as County employees. In the Department of Public Works, consultants are now given County office space side by side with County employees, while vital positions in custodial services remain vacant.

We also agree with the Budget Review Report on page 17 calling to modify the law charging \$500 to participants in the Tobacco Cessation Program as this fee will severely diminish participation. I'd like to remind the Legislature that AME donates its headquarters free of charge to the Smoking Cessation Program and has done so successfully for the last three years.

The civilianization process in the Police Department is moving along too slowly. An additional 11 positions in the entire budget are simply not enough. The County needs a measurable implementation plan that includes hiring from within the department first and thereby enhancing

worker morale. The budget was to be user friendly, however, it contains charts with no numbers and summaries that were incorrect. We need more understandable information in the budget, for instance, which vacancies are really funded.

Also, we noted Civil Service exams are way down from 2002. This could be considered part of a pattern of not hiring full time staff. Retirees being hired to work in DSS should be hired as mentors to train new employees and not be hired in lieu of new employs. AME is proud of the joint labor management cooperation in administering our health insurance program EMHP. AME supports adequate funding and suggests that the County adopt a comprehensive Wellness Program, which would pay for itself with a healthier workforce and lower health care costs.

AME agrees with BRO calling to transfer the Insurance and Risk function of the department -- to the Department of Audit and Control because of the financial expertise that exists there presently. The County needs to establish a retiree health care reserve as reporting retiree costs is to be mandated by the Governmental Accounting Standard Board or GASB. Other governmental entities have already started to earmark funds for this requirement.

The County needs to establish a multi-year financial plan which has been recommended by the New York State Comptroller's Office. And the Department of Labor continues to be decimated by staffing cuts because of federal and state funding reductions. Isn't this agency worthy of substituting County funds to prevent clients from staying on public assistance longer and ultimately costing the County more?

The County Executive talks of a zero sum game or a break-even budget. There are services that will never break even as they provide health care, emergency management, public safety, probationary services and social services. Government is about services, not strictly dollars and cents. The County Executive has admirably added 30 hybrid work vehicles to the County fleet. This is an excellent move, but needs -- but he needs to do more with replacing the number of high mileage vehicles, such as in the area of Department of Health for the public health sanitarians.

As part of the smart government platform, a Pension Reserve Fund was established in the 2005 Budget. AME had suggested the establishment of that fund in 2004. It was budgeted for \$35 million for the fiscal year of 2005, yet two years of record surpluses, this fund stands at just a little over \$12 million. Pension funds should not be used to fund other items in the budget.

On a final note, AME members are working harder than ever to provide even better quality of services to our County. They are averting crisis and continuing to do more with less. Budgeting gimmicks such as turnover savings that prevent the hiring of necessary staff, which disguises the true staffing levels are making it increasingly difficult for our membership to be successful for you. Thank you for your time in hearing our preliminary review of the 2007 Suffolk County Budget. We will provide you with our complete analysis by the end of the week. Thank you.

CHAIRMAN D'AMARO:

Okay. Thank you very much, Ms. Felice. We appreciate your testimony as well. Are there any questions? Legislator Kennedy?

LEG. KENNEDY:

Thank you, Mr. Chair. Thank you, Cheryl, for coming forward. And as always, you do an excellent job, I guess, in bringing the issues of the membership to us in a very thorough and comprehensive way. I tried to make a few notes, I guess, as we were going through with what you were speaking about, and, I guess, I'd just like to touch a little bit on them.

And I think what I want to do is I just want to talk about a couple of issues and concepts. On page two you talk about the pool of five nurses in order to reduce overtime and contracting out. Contracting out seems to be a recurring theme that we're experiencing with the administration at

this point. What specifically is going on here as far as this -- this alternative or dichotomy associated with having staff direct County staff to deliver services that are a County mandate as far as contractors? What's going on there?

MS. FELICE:

From what we understand in this particular proposal is between the nursing home and jail medical unit for the Sheriff's Office, the staffing levels there are considerably low. And this pool will be used to put nurses either -- in either area in order to avoid going to a contract agency for staffing levels and alleviate overtime, but get the staffing level that is needed. I do have my budget analysis team with me. If there's anything else, just give me the high sign and we'll get them the answers, but that about covers it, correct?

LEG. KENNEDY:

The fiscal piece, I guess, is important to know and, you know, obviously in these two areas, they are what we call mandated services and have to be staffed. There's no subjectiveness to it. We can't elect to go ahead and not authorize to have a nurse in the nursing home or have a medical person associated there in jail medical, because we have a population that's a 24/7 population. So they have to go ahead and have these services. But I think there is something that we're not seeing here which is an unwillingness to fill the positions that were in the budget which are our direct county personnel in order to avoid that necessity of mandated overtime or absence of staff and the decision to move directly to electing to contract with some agency.

And my concern is, is in my opinion that comes perilously close to violating the basic premise of the Taylor Law and the fact that these positions are created municipal employees in the first instance, and we're charged with delivering and meeting these services first and foremost, by and through our own employees; isn't that correct?

MS. FELICE:

You can see that the evidence of your statement in your -- in the report that BRO produces about overtime. And we noted this several Legislative meetings ago about the number of CNAs, that's the Certified Nurses Aides, not LPNs, not RNs, but just the aides who provide the day-to-day care for those individuals over at J.J. Foley Skilled Nursing Facility.

The fact that there were approximately off the top of head I'm remembering about five or eight members there who are Grade 9 -- Grade 9 is a significantly low title in the County -- but there are about five or eight members who made the top 300 of overtime earners in this County because of the understaffing. So -- so you're absolutely right, there is -- there is still a pattern of not filling the -- the funded positions. And BRO reported out too in the issue of custodial services where the Legislature appropriately created several additional positions last year, and yet still half of them remain unfilled.

LEG. KENNEDY:

From where you sit, clearly then there appears to be a concerted effort to go ahead and flout or undermined this practice of or the process of filling positions. Are you encountering this active attempt to go ahead and divert direct County services through contracting out in any other agencies?

MS. FELICE:

Wherever we point out the contracting out agencies, I mean, we will bring that attention to both the County Executive's staff and to your staff. But as I said, it's -- we have an issue that I notice too in the Budget Review Report and our -- I'm going to ask our analysts to look at it, but they make mention of the custodial services for the Cohalan Court Complex. Now years ago, that particular facility was contracted out. Those are not AME people over there, and yet the costs are escalating. So I don't know until our analysts get a chance to look at it to see if AME people would be more cost

effective to the County in that building, but we will look at it now that BRO has made that -- made that statement in their review.

LEG. KENNEDY:

Again, it occurs to me that the cost perspective is obviously always important from where we sit here, but you bring the point up as well that in many areas of service where we must go ahead and provide or deliver the service, there's no such thing as cost effectiveness. As you said, you know, providing children with inoculations and things like that is something that our County Health Department does in its mission to provide well child care or taking care of a parolee caseload through Probation. We've not moved yet I don't think to attempt to privatize Probation, I hope we don't go there. I think that it's the kind of thing where we -- only us can go ahead and provide these services by and through the fact that we are the governmental entity. The other thing that you bring up, I guess, along that line that kind of concerns me or troubles me is you're saying that we have private contractors that are co-located in DPW?

MS. FELICE:

That information came as a shocking surprise to us as well. We learned this information after we did a poll of our unit presidents and asked them for input on what is actually happening in the field so we can actually analyze that, and that's the information that we received back directly from the members, that contractors are now being given desks side by side with County workers.

LEG. KENNEDY:

Again, I guess, perhaps I'm starting early on to go ahead and beat a dead horse here, but not only are -- what I think that we're in violation of the Taylor Law, but I think we have a huge liability issue associated with that as far as making municipal space available for a private entity and maybe even constitutional issues as far as gift.

MS. FELICE:

As I said, that information is new information, and we will have more for you on it.

LEG. KENNEDY:

All right. Moving on. You talk about a retiree health care reserve fund. Tell me a little bit about that. I'm not sure I understand that concept.

MS. FELICE:

Actually I'll probably ask one of the auditors to speak on that, but that's the GASB Report where the County -- the municipalities now have to report the cost of health care as a liability. So I will ask you to just if you wouldn't mind --

LEG. KENNEDY:

I would love to hear from, you know, your fiscal person and also, I guess, I'd ask BRO to just chime in if there's anything else that you might be able to add to this.

MS. FELICE:

Okay. Thank you. This is Bob.

MR. BOB:

Good morning. BRO actually has more information about it than I probably do, because it's incorporated their report. There is GASB, the Governmental Accounting Standards Board, is going ahead and asking municipalities to fund what had previously been an unfunded liability, which is retirees health care cost. We know of some municipalities, particularly the City of New York, in their most current budget have set aside \$3 billion for this need. Now, obviously, New York City is a bigger entity than Suffolk County, but something has to be done to start considering how the County is going to deal with this issue.

LEG. KENNEDY:

Roughly how many retirees do we wind up going ahead and providing health care for at this point.

MR. BOB:

I'm not sure what the answer to that is.

LEG. KENNEDY:

Okay. But nevertheless, in other words --

MR. BOB:

Our finding is based on the fact that there's nothing in Mr. Levy's budget that talks about going ahead and putting up this reserve.

LEG. KENNEDY:

Okay. I'll defer to BRO then if you could, please.

MR. REINHEIMER:

Approximately one-third of our enrollees in health insurance, 20,000 enrollees, about 6000 are retirees.

LEG. KENNEDY:

And do we have any recognition or addressing as to what our estimated cost for that care will be coming up for '07?

MR. REINHEIMER:

The recommended budget provides funds to hire a consultant to do the actuarial projections on that. It's -- the recommendation is to try to fund this during an employee's lifetime so that when a person retires like retirement, they're no longer a cost to County. The liability has to be reported on the financial statements. Right now, it's not really clear -- I don't think you really have to fund it at this point, it's recommended you do, there's a phase in over, I think, 30 years to fund this and to recognize the liability. And we have said there's \$100,000 to hire a consultant to assist the County in that endeavor.

LEG. KENNEDY:

All right. Just one more question, I guess, and then I'll yield. The Department of Labor, Cheryl, speak a little bit more about that, I guess, as far as what we're looking as far as reduction versus delivery of service or need.

MS. FELICE:

Well, once again, AME partnered with the County Executive's office and the Legislature in transferring 477 funds to assist where those initial budget cuts came in from the Federal Government. So we had to transfer -- the County had to transfer a number of people out of the Labor Department into the Parks Department was where most of them went. They encouraged those who were interested in retiring to do so they would have to worry about less people to place, but the situation remains.

As funding gets cut from the Federal Government and the State Government, less services are provided to the constituents of Suffolk County for job training, for the homemaker development program, in which to enable them to be productive members of society. Our analysis shows that if we are not providing them the training to get off the welfare rolls that they will stay there longer, and the cost, again, is directly upon the County.

LEG. KENNEDY:

Okay. Thank you. Just one last question. I don't even know that you necessarily need to address it, because it may be something I'll pose to BRO, but I just note your comments about the pension reserve fund. And the fact that while originally populated, I guess, with, what 70 million, we have a balance of only 12?

MS. FELICE:

Correct. It's our understanding that the County deferred -- made a one time deferral that is permitted for payment to the pension fund, but it's something that cannot be overlooked and simply must be funded.

LEG. KENNEDY:

Okay. I'll yield, Mr. Chair.

CHAIRMAN D'AMARO:

All right. Thank you. Legislator Romaine, please.

LEG. ROMAINE:

Yes. Good morning, Cheryl.

MS. FELICE:

Good morning.

LEG. ROMAINE:

Just a number of questions. You started off in your statement by quoting a Newsday Editorial, "One question Legislators should ask themselves and probably will is whether Levy's tightfistedness is hurting essential services." Based on the budget that he submitted, is his tightfistedness hurting essential services in Suffolk County?

MS. FELICE:

We see that to be so in particular with the Child Protection Agency. As we said, the caseloads, the workloads are continuing to skyrocket, and BRO reports that our agency doesn't compare with five other municipalities that compare to ours.

LEG. ROMAINE:

Could you tell me how many of the 1400 plus vacancies in County Government are taxpayers being taxed for and not receiving services?

MS. FELICE:

I don't have the number at the tip of my hands.

LEG. ROMAINE:

Does Budget Review have that number? If not, I would ask that we do an analysis of the 1400 vacancies in County Government, determine which ones the taxpayers are being taxed for, but not receiving services for. I'd like to have that information at some point in the course of the next week or so. Let me move on. Consultants. I'm just going to follow up Legislator Kennedy's question, he made an excellent point. The County you feel is relying on more consultants that -- for work that actually could be done by County staff; is that correct?

MS. FELICE:

Actually the budget analysis supports that theory, yes.

LEG. ROMAINE:

And some of these consultants are actually occupying County space.

MS. FELICE:

Correct.

LEG. ROMAINE:

Has the County Space Management Committee given this space to consultants as required by law to give private individuals space in public facilities?

MS. FELICE:

That information I do not have. As I said, in our survey that was completed only a short time ago, this information is new information that we are investigating and have reported -- and have included it here in our report.

LEG. ROMAINE:

I would ask our Legal Counsel or one of our aides to carry a message to our Legal Counsel to make a determination if the County by providing public space, government space, to private individuals to do their work is in violation of any laws or the Space Management Committee's establishment in terms of allocating that space.

Let me move on to the reserve funds for retirees. You say that soon -- do you know the deadline -- and maybe this question should be directed to Budget Review -- do you know the deadline established for the Government Accounting Standards Board in term of setting up a reserve fund for retiree health plan costs? Is there a deadline where that must be done?

MR. REINHEIMER:

I'm not sure of the exact date, but it's -- we have to do something now to comply with that, yes, as far as setting the unfunded or the liability, future liability.

LEG. ROMAINE:

So we have to do something now?

MR. REINHEIMER:

Correct.

LEG. ROMAINE:

Has anything been done in this budget to meet those requirements?

MR. REINHEIMER:

There's funds provided for an actuary to determine the unfunded or the future liability for retiree health insurance.

LEG. ROMAINE:

Where those funds provided in the 2006 Budget?

MR. REINHEIMER:

Yes. There was also 100,000 that is my understanding not going to be used. They are in the RFP process, which should be selected by next year.

LEG. ROMAINE:

Let me just get this straight. Yes, we should be doing something now. In 2005, there was a 100,000 put in the 2006 Budget to hire a consultant to do this. And you are telling me now the third week in October that 100,000, that RFP hasn't been done, will not be done this year.

MR. REINHEIMER:

Well, they're in the RFP process, and the contract probably won't be awarded until after the first of the year.

LEG. ROMAINE:

Okay. And one last thing, if I could, Cheryl.

MS. FELICE:

Yes.

LEG. ROMAINE:

Custodians. You have mentioned that we have a shortage of custodians throughout the County in various facilities, which obviously if you don't do the ongoing maintenance and you defer that at some point, that has much higher costs down the road. Is there a standard for various buildings for the amount of square feet that custodians handle.

MS. FELICE:

Yes, there is. We have -- and we have included that in our previous reports, so we will include again in our final report.

LEG. ROMAINE:

And based on that standard, do we have an overwhelming lack of custodians in certain facilities, particularly health facilities?

MS. FELICE:

Yes, you do.

LEG. ROMAINE:

Thank you.

CHAIRMAN D'AMARO:

All right. Just a few questions of my own. And also note for the record that Legislator Stern is now with us. I just want to go back and understand this pension reserve fund that -- which BRO is also -- I just wanted to ask what is the consequence of not funding that or funding that enough?

MR. REINHEIMER:

The reasoning behind the GASB 45 is to get municipalities and governments to recognize this unfunded liability. It's already done in the private sector. And they want municipalities, like the private sector, to start to look at funding other post-employment benefits, which specifically is retirement is the largest one, during the course of the lifetime of the employee, just like we do for retirement. We fund retirement over the employee's lifetime, work career, and when they retire, they're no longer a cost to the County. They're self-funded, they're actuarially determined how much is needed.

CHAIRMAN D'AMARO:

They're doing that now?

MR. REINHEIMER:

We're doing that for retirement, New York State Retirement System does that.

CHAIRMAN D'AMARO:

Right.

MR. REINHEIMER:

But this is something that should be done for health insurance according to GASB 45, that you fund over the employee's lifetime so that when they leave employment that cost for their post-employment benefits of health insurance are paid for in full.

CHAIRMAN D'AMARO:

How are they paid for now?

MR. REINHEIMER:

On a current basis. The \$245 million that we're going to pay in 2007 for health insurance is the current cost for all enrollees, which one-third are retirees.

LEG. ROMAINE:

As opposed to accrual basis?

MR. REINHEIMER:

Correct.

CHAIRMAN D'AMARO:

Okay. And I guess it's just more sound fiscal policy, of course, to have a reserve for retirees to ensure that their benefits are there in the future. That's the policy behind having a separate account for this?

MR. REINHEIMER:

The policy is to match expenses to the year in which they're incurred. The promise of health insurance over an employee's lifetime, it matches the cost when the employee is working so that you are not paying for non employees. So it matches the cost to the year in which you accrue it.

CHAIRMAN D'AMARO:

I see. Okay. Now, Ms. Felice, just a question. You spoke of the -- a workforce housing initiative, because obviously for people to remain here on Long Island, including County employees, we have to somehow make it more affordable, and I think everyone recognizes that. You mentioned a program or you were pointing to a particular program. Could you tell me a little more about that?

MS. FELICE:

Actually that was something that our auditors brought in, an initiative that is being done in New York City to attract and retain teachers to provide a certain amount of workforce housing to those individuals to encourage them to stay and work for New York City teaching. It's something that we will develop further in our final report to give you the details, but as the County Executive, and appropriately so, speaks about affordable housing and workforce housing, we don't want to be left out of that consideration.

CHAIRMAN D'AMARO:

And then the last question I had, the whole issue about having sufficient staffing and filling the vacant positions, I understand your testimony completely that if you want to deliver services, and we're service oriented, that's what we should do, but how much of the lack of staffing if any is due to the inability just to find qualified personnel to fill positions?

MS. FELICE:

I think the only -- the only -- well, one of areas that you have the most difficulty is with your nursing staff. And the nursing staff in particular is a nationwide problem with recruitment and retention, but one that the County and the Health Department has recognized when it commissioned a study in 2005 to address the issue of understaffing in those ranks. And they determined then that the salaries were not competitive with the private sector. A recommendation was handed up by the Commissioner to the County Executive, and nothing has been done to initiate that recommendation.

CHAIRMAN D'AMARO:

Okay. Thank you. Are there any other questions? Legislator Kennedy. Legislator Browning I think had a question. Okay.

LEG. BROWNING:

Good morning, Cheryl.

MS. FELICE:

Good morning.

LEG. BROWNING:

How are you? I think Ed touched on it a little bit with the CPS reports. Out of my office, we have had a number of calls to CPS, and I do have to compliment them because they report as they get the calls --

MS. FELICE:

Thank you. They're a very dedicated staff.

LEG. BROWNING:

They are. So my concern is when you're saying that they have the most reports, you know, higher than five of the six most comparable counties, in a perfect world, how many CPS workers would you need so that they could do their job better?

MS. FELICE:

Well, we do want to compliment the County Executive that whenever a member does not pass probation in the CPS Division, it's an automatic SCIN form approval. And that has proved to be extremely helpful in keeping the staff up to par. The exact number I do not have at the tip of my hands, but I'll get that to you.

LEG. BROWNING:

Well, how many CPS workers do you have right now?

MS. FELICE:

Three hundred.

LEG. BROWNING:

Okay. Thank you.

MS. FELICE:

Thank you very much.

LEG. BROWNING:

I'd like to know what you would need, because like I said, I have been hearing some thing from CPS, and I certainly compliment them for everything they do.

MS. FELICE:

Great. Thank you so much.

CHAIRMAN D'AMARO:

All right. Thank you very much for your appearance this morning. Next is our Suffolk County Treasurer, the Honorable Angie Carpenter. Good morning.

MS. CARPENTER:

Good morning. I've asked Loren Houghton, who's our Executive Director and heads the accounting unit to join me this morning since he really has a lot of the institutional knowledge having been a member of the department for many years.

I'd like to speak specifically to the recommendations in the Budget Review Report as noted on page 15 regarding the three positions that the County Executive's budget is recommending be transferred

from our department to the Real Estate Division. And I'm sure that when they were thinking about doing this, it may have made sense, because it has been termed the Real Estate Unit. However, it is a little bit of a misnomer. And having raised the issue now in discussions with BRO, I think it would be more accurate for us to describe this as the Tax Deed Unit, which is mainly, you know, what the thrust of their mission is. The suggestion was to move them because it would enhance what's in the redemption unit in the Real Estate Department, but they don't do redemption. I've talked with Pat Zielenski of the Real Estate Division, and in comments that she made to me, she felt that this would hinder her more than help her, because being out in Riverhead where they are, they are a resource to the Real Estate Department.

It also includes in addition to the two positions -- actually, there should be three. That's one of the vacancies of the six that we have in our department. They're recommending moving a neighborhood aide who works with the Tax Deed Unit, but also works in hotel-motel tax enforcement, he goes out into the field to check on properties to make sure that what is appearing to be abandoned is, in fact, abandoned, and there are a plethora of other duties. So I would ask that you go along with the recommendation that BRO has made, not to move forward with this transfer.

The other point that I'd like to make note of in the bulleted -- the second bulleted item, the changing of the funding, reducing the funding by \$100,000 for the tax advertising. Yes, we concur with that. And I really just want to note for the record that this came out of a recommendation from our department. In fact, a few of you who are here this morning did come out and tour the department. And I do remember introducing you to Camille who is the person who took the initiative to wonder whether or not we really needed to advertise all of the information that we were doing in the tax sales. And we did check with the County Attorney's Office, and, in fact, I was speaking with Christine Malafi this morning and told her I was going to mention this because I certainly didn't mean it as any disrespect to her, but this initiative did come from our department, but we did check with the County Attorney to make sure that legally we could decrease the amount of information that went in the tax advertising sales. And this has actually saved us over the past couple of years close to \$500,000.

And again, this is an initiative that came from one of our employees, one of the dedicated AME employees in the Department of Finance and Taxation. And on page 213, there are -- really it goes into detail as far as what the unit does do, but if there are any specific questions on their duties, either myself or Loren would be happy to entertain any questions.

CHAIRMAN D'AMARO:

Okay. Are there any questions? I don't believe so.

MS. CARPENTER:

Well, thank you very much.

CHAIRMAN D'AMARO:

Thank you for your time. Nice to see you. All right. Next is JoAnne Sanders and Tracey Lutz. Good morning.

MS. SANDERS:

Good morning. I'm not both of those people. Tracey, she's ill, so she couldn't make it. We were going to get up together and speak about the Omnibus funding, but as I said, she couldn't make it here today. So I apologize on her behalf.

The Suffolk County Coalition Against Domestic Violence is now celebrating its 30th Year of providing shelter and supportive service to victims of domestic violence in Suffolk County. We have a whole wide range of services. It's almost like kind of a one-stop shopping kind of agency, where if a victim comes to us through our hotline, we can offer her advocacy services in court. We have a staff

attorney, we have employment programs, computer classes, counseling for children and adults. We have a wide range of educational services and so forth.

And the reason I'm here today is because some of our services are in jeopardy. In the past several years, particularly in the Year 2002, at that time a different County Executive cut contract agencies, ours was among them, and that was cut 2% -- oh, 10%, I'm sorry, across the board whether it was federal or County dollars. And we have been trying to recuperate from that ever since. And the only way we have been able to survive is through the Legislature's Omnibus funding, and particularly last year, because we did add a service as well. And the services we added was the Seventh Precinct advocate, which was a new -- new precinct that opened up. And that allowed us then to have advocates in every one of the Suffolk County Police Department Precincts. And that happens to be one of the busier ones too. They're all very busy.

And so what we're requesting basically is to restore the Omnibus funding into our core contract, which is with the Suffolk County Department of Social Services. The core contract includes a 24 hour hotline, precinct advocates in all the Suffolk County Department Precincts, call advocacy, individual and group counseling for adult and child victims and prevention through education.

In 2005, Suffolk County was federally reimbursed 61% of this contract. The amount goes anywhere from 95% reimbursement, in this last year, as I said, was 61%. It's never gone lower than 61%. So it's really less than half of it is County dollars. The County Executive's 2007 Budget cut out all the legislative Omnibus funding for 2006. So our request is to restore a \$132,000 in -- that was in the 2002 Omnibus into the 2007, and that would include -- 45,800 of that amount is for the 7th Precinct advocate and the remaining 86,200 which will be to sustain our services including covering the cost of increased health insurance and minimal salary increases. We have a very huge turnover, because we have very low salaries. And also just the general cost of doing business, because in addition that, of course, as a contract agency and as a private incorporation, we do a lot of fund-raising to sustain the services that we provide.

That contract line number is -- I put it in here -- is GNK-1, and it would -- it would increase the County Executive's 2007 appropriation from 627,957 to a total of 759,957. We have a total of five contracts with Suffolk County. We have three in Suffolk County Department of Social Services, one agreement in Suffolk County Probation Department and one with the Police Department. In most of these contracts, we haven't gotten increases in many, many years. They are smaller contracts, but we're able to subsidize. It's really the core contract that we need to have that increase so we can keep things going.

CHAIRMAN D'AMARO:

All right. Thank you. We had a question from Legislator Romaine.

LEG. ROMAINE:

Just a few questions very quickly.

MS. SANDERS:

Sure.

LEG. ROMAINE:

You indicated in 2005 for the expense to your agency that Suffolk County provided, the revenue from the County that they provided, they were reimbursed by the Federal Government up to 61% of contract costs?

MS. SANDERS:

That's on the core contract. Some of the other contracts was a hundred -- was even higher than that, yes.

LEG. ROMAINE:

So on the other contracts it would be higher. So the money that the County is giving you with one hand, they're reclaiming mostly with the other hand from the Federal Government.

MS. SANDERS:

Correct.

LEG. ROMAINE:

And let's see. The County Executive in his recommended budget cut you \$132,000 in his recommended 2006 Omnibus?

MS. SANDERS:

Well, he cut out all the Omnibus money. I don't want to mislead you, because he also gave us a slight cost of living increase, only on the County portion.

LEG. ROMAINE:

Right. But he did reduce you in the Omnibus by a 132,000?

MS. SANDERS:

Correct. Yes.

LEG. ROMAINE:

It may be a little bit premature to speak, but I believe for those Legislators that represent the Seventh, certainly myself and Legislator Browning and possibly Legislator Losquadro, we will certainly make an attempt to restore the 7th Precinct advocate. It would be seemingly unfair to have advocates in six other precincts and to leave you without an advocate in the Seventh, in which we do have a number of constituent problems that could utilize your help against domestic violence.

MS. SANDERS:

Yes. In fact, the Police Department when asked about how they could use help with domestic violence case overwhelmingly recommended more advocates per precincts. So it really is a very strong asset to the Police Department in these cases.

LEG. ROMAINE:

And I just will thank you again for reminding us that while there is an expense side that must be included in the budget, there is also a revenue side with your agency in that anywhere between 61% and 100% of the County's money to you is reimbursed to the County by the Federal Government. Thank you for your presentation.

MS. SANDERS:

Correct. Thank you.

CHAIRMAN D'AMARO:

All right. Thank you, Legislator Romaine. Legislator Kennedy, please.

LEG. KENNEDY:

Thank you, Mr. Chair. Thank you for coming before us. I guess I would just like to go ahead -- first and foremost, I know that your agency does good work. As a matter of fact, I'm familiar with your advocates in court from, again, many years ago. And I know how important it is to go ahead and have a knowledgeable individual assisting a victim in these circumstances, because it is -- they're traumatized multiple times over. And so to access services through a court can be imposing in itself. So I know that your advocates do excellent work.

Having said that, what is going on with the numbers of people that are seeking help? And, you know, we hear about domestic violence, and we think of, I guess, you know, what may come about

as far as a domestic living relationship between a man and a woman, but I'm also aware that there is a phenomenon associated with senior citizens who are becoming more and more susceptible to violence in their own homes from adult children or other folks. What's going on with the numbers at this point? Where's it going?

MS. SANDERS:

You know, it's very hard to give you numbers on seniors, because most seniors don't report. So that's really a very huge problem. And I don't even -- we wouldn't even know if the numbers have increased or maybe the numbers of people reporting has increased. You know, it's -- just to regress for a minute. When Clarice from VIBS mentioned that Suffolk County has the highest number of domestic violence victims that reported than any other County in the state, outside of New York City, I don't even know what that -- how that's based -- what that's based upon, because I have to say, because of Legislature and domestic violence agencies, we offer such a comprehensive program that I think there are more victims are willing to file reports. Just by having precincts -- advocates in all precincts makes it more comfortable for a victim to go in and talk to a social worker before she talks to a police officer. But numbers are always difficult. What's going on is that on a positive note, more and more people are willing to get out of the situation earlier, but on a negative, domestic violence has not decreased.

LEG. KENNEDY:

So there's no -- just so that I understand. In other words, there's no correlation or logic associated with a reduction in funding based on the fact that you're seeing a reduced amount of need.

MS. SANDERS:

No. There's not a reduced amount of need. No.

LEG. KENNEDY:

Not at all?

MS. SANDERS:

No.

LEG. KENNEDY:

Okay. As a matter of fact, what's happening is you're seeing more people who are coming to your agency looking for help and looking for assistance.

MS. SANDERS:

Absolutely. And help -- I try to think positive, because we have done a lot of hard work here, the County as a whole. When we first opened our shelter -- we opened the first shelter in Suffolk County exclusively for victims of domestic violence. One out of two women calling us were looking for shelter. We just -- we just recently did a little anecdotal -- we haven't got people to do research, but one out of every 200 callers now is looking for shelter. And why is that? It's because there's more help available to victims in the court system through agencies, domestic violence agencies, by the Police Department, by Probation. So what we're doing is working. We just have to make sure we keep going on this.

LEG. KENNEDY:

How many shelters does your agency run?

MS. SANDERS:

We run one shelter.

LEG. KENNEDY:

You have one shelter, but I know there's a network out there.

MS. SANDERS:

There's three domestic violence shelters. And, yes, we network together. Absolutely.

LEG. KENNEDY:

Excellent. Okay. Well, once again, thank you very much for coming before us and bringing your issues.

MS. SANDERS:

Thank you. I appreciate the opportunity.

CHAIRMAN D'AMARO:

Thank you. Just before you go, please. Thank you, Legislator Kennedy. Legislator Browning had a few questions.

LEG. BROWNING:

Good morning. How are you?

MS. SANDERS:

Good.

LEG. BROWNING:

Curiosity. Of your budget, how much of your budget is administrative versus direct care, direct services?

MS. SANDERS:

Close to -- it's close to 90% of all the funding, fundraising of money that comes in and all County dollars and elsewhere goes to direct services. We have a very small administrative staff, obviously. It's 90%.

LEG. BROWNING:

Ninety percent?

MS. SANDERS:

Yeah.

LEG. BROWNING:

Okay. Thank you.

CHAIRMAN D'AMARO:

All right. Also, I had a question. The 45,800 for the Seventh Precinct advocate, that is -- that was all -- that was funded last year?

MS. SANDERS:

Yes. Yes, it was.

CHAIRMAN D'AMARO:

Okay.

MS. SANDERS:

Through the omnibus funding only.

CHAIRMAN D'AMARO:

All right. Through the Legislative funding.

MS. SANDERS:

Yes. It's never been part of the County Exec's budget.

CHAIRMAN D'AMARO:

All right. And that advocate -- how come there wasn't an advocate before '06? Just the history of it.

MS. SANDERS:

The precinct wasn't fully operational.

CHAIRMAN D'AMARO:

Okay. And do all of the other precincts have a full time advocate?

MS. SANDERS:

Yes.

CHAIRMAN D'AMARO:

Is this individual also full time?

MS. SANDERS:

Yes. They're all full time. They work at the -- the precincts, they work three evenings a week, and then the other two days, because they're full time, they do follow-up in the courts, helping the victims get Orders of Protection and so on.

CHAIRMAN D'AMARO:

Well, when we say full time, in other words, one individual assigned to one precinct.

MS. SANDERS:

One individual, one precinct, three evenings a week, and then she does follow-up with the victims in the courts the other two days.

CHAIRMAN D'AMARO:

Right. And what's the average caseload weekly, monthly, yearly for an advocate?

MS. SANDERS:

As far as advocacy services total, it's about 4000 for the year. So that -- we have a total of ten advocates, so it's about, I guess, 400 some odd cases. I'm just averaging it out. They talk to many -- we also in the precincts, one of the responsibilities of the advocate is that every domestic violence incident reported to the police, our advocates do follow-up phone calls to each and every one of them, which is 35,000. We don't reach all 35,000 -- not all are necessarily intimate partner abuse -- but we every effort to. So there's a lot of services that just in the fact of making someone aware so it doesn't become a case necessarily, but it's an advocacy service.

CHAIRMAN D'AMARO:

When the Seventh Precinct became operational, fully operational, was there a time where you had advocates from other precincts covering?

MS. SANDERS:

Yes. And they still all do cover for each other. That's why our program, we think it's so successful, because -- because we have -- we haven't gotten enough funding to have an advocate in each precinct seven nights a week. We just don't have that presently, some day we hope. So there's an always an advocate on call. So if the Seventh Precinct advocate works Monday, Tuesday, Wednesday in the precincts, and then the other days of the week we'll have an advocate from another precinct nearby cover in case of an emergency.

In addition to serving the victims directly, the advocate works with the Police personnel helping them get a better understanding of domestic violence victims, and they help us understanding the law and what's possible and what isn't. So it's really been a wonderful collaboration.

CHAIRMAN D'AMARO:

And what's the total hours that an advocate works on a weekly basis?

MS. SANDERS:

Thirty-five hours.

CHAIRMAN D'AMARO:

Okay. So that's a full time position.

MS. SANDERS:

Yes.

CHAIRMAN D'AMARO:

All right. The remaining 86,200, you say in your statement to sustain current levels of services including the 2007 increased cost in employee health insurance and minimal salary increases. How much of that budgeted request is actually going to health insurance? What are you anticipating?

MS. SANDERS:

I didn't break it all down, but we got a 14% increase in health insurance. So what we had to do, even with this money coming in, if it comes in, we hope, we had to raise the copay that our staff has to pay when they go see a doctor. So now it's down to a 9% increase. So everything has gone up dramatically. It's a good percentage, of course, of our administrative -- of our fringes.

CHAIRMAN D'AMARO:

Do your employees contribute towards their health benefits?

MS. SANDERS:

They don't contribute -- it's an individual plan, and they do not contribute towards it, because the average salary is, like, 30 to 31,000 to \$32,000.

CHAIRMAN D'AMARO:

Okay.

MS. SANDERS:

And they have Master's Degrees. So they can only barely -- they can barely keep -- they can't have their own apartments. A lot of them are living home with their parents, because they can't even have their own apartments. So we try to at least make it up somehow in offering a single plan.

CHAIRMAN D'AMARO:

I see. Okay. Thank you. Legislator Kennedy.

LEG. KENNEDY:

I just want to follow up, Mr. Chair, with one other aspect, I guess. And again, it's to your agency's credit that you do coverage of the precincts through your advocates' schedules, but in other words, if we need assistance up here in the Fourth and the staff is not here, the advocate from Coram or from down in Islip may be traveling up here in order to go ahead and meet a victim here and provide service?

MS. SANDERS:

Yes, they do that.

LEG. KENNEDY:

All right.

MS. SANDERS:

We also go to local hospitals when called. If the Police are at a hospital and someone is brought in, they'll call an advocate to go. It's not -- you know, again, to have an advocate every night would be ideal. But it's -- you know, we're just trying to hold on to what we have right now.

LEG. KENNEDY:

And just so that I, you know, bring this full circle, they're driving their own cars.

MS. SANDERS:

Yes.

LEG. KENNEDY:

Right. And what's going on with the reimbursement for them as far as mileage vis a vis the --

MS. SANDERS:

They get 37 and a half cents a mile.

LEG. KENNEDY:

Bingo. Notwithstanding the price of gas. Thank you.

CHAIRMAN D'AMARO:

Well, thank you very much. I think that concludes our questions for you. We appreciate your time.

MS. SANDERS:

I appreciate the opportunity.

CHAIRMAN D'AMARO:

Of course. Okay. Next we're going to call up Christine Malafi, Suffolk County Attorney.

MS. MALAFI:

Good morning.

CHAIRMAN D'AMARO:

Good morning.

MS. MALAFI:

I just wanted to make some comments on the BRO report with respect to the Department of Law. We do use paraprofessionals in the Department of Law. The position name is research tech -- technician, that's how we use paraprofessionals in the Department of Law. With respect to the second evaluation point where it is recommended that the lower level attorneys' position become noncompetitive or competitive Civil Service title to reduce turnover and loss of institutional knowledge, I do not go along with that recommendation or suggestion.

If you want to keep -- if you want to reduce turnover and keep the institutional knowledge, you would have to have to do that at the mid level or higher attorney level positions. With respect to the two additional positions that the County Executive's budget put into my -- the Law Department budget for an attorney and a research technician, the reason that I did not request those positions was because the reason for the positions is the passage of new Human Rights Law, which was not passed in June or May when I had to submit my budget.

So as a result of the Human Rights Law passing, I need the attorney's position. And the research tech position is for the Contracts Unit so that contracts can be processed faster. And one of research

techs in the Municipal Law Bureau might go over to the General Litigation Bureau depending on the amount of work needed for -- the implementation of the Human Rights Law. With respect to the two unfilled positions in the Human Rights Division, I have been told that they will be filled as soon as the new law goes into affect, the Human Rights Law goes into affect.

The million dollar increase in the 18B Defense Fund was necessitated by the passage of a new State Law within the past 45 days that now requires indigent persons who would be entitled to an 18B lawyer if their case had been brought in Supreme Court or another court be provided with a lawyer if the same issues are available in Family Court. So, for example, now, if there's a custody dispute in a matrimonial case where someone is not represented by a lawyer, under the new State Law, that spouse would be entitled to a lawyer on the custody issue. We're not sure how that's going to affect the budget, and I spoken with some of the other counties; Westchester, Nassau County, and we've all asked for -- again, after our budget -- after my budget was submitted, additional money to cover the cost of providing 18B lawyers to people in Family Court on occasion.

And then on the transfer of the Division of Insurance and Risk Management to my department, I do not agree with the various comments in the BRO report with respect to independtness needed and it affecting any of the persons in that division at this time. That division is located on the 7th Floor of the Dennison building, where I have space on the 7th Floor of the Dennison Building also, those people will stay in their places and do their same job.

The difference is that I will be able to help the Division of Insurance and Risk Management to more efficiently operate the claims that come into the County. For example, when -- the end of last year when we were flooded -- and I don't use that word facetiously -- with sewer backup claims after the storm, they were floundering, and nobody knew that they were floundering until it was too late. If they were in my department, we would have been able to help much sooner and reduced a lot of the costs, expenses and payments that were made out of that -- out of that division. And then I'm just here to answer any questions if anyone has any questions.

CHAIRMAN D'AMARO:

All right. Let's start -- I had a question about the Risk Management also. I just want to be a little clearer. The recommendation of the Budget Review Office is that for reasons of available expertise that it be transferred, I believe, to Audit and Control. And could you speak to that? Could you tell us if you agree with that, if Audit and Control is needed, or how you would rely on Audit and Control to administer that department?

MS. MALAFI:

I can tell you that I think the best way to cut the cost is for the Law Department to have direct supervision over the division.

CHAIRMAN D'AMARO:

Which cost?

MS. MALAFI:

The cost associated with how a claim is handled. When a claim comes in, somebody calls in a claim or writes a claim to the County, and then the actions that are taken by the claims -- by the Claims personnel in that Division -- which I don't want to get into the specifics in open session -- sometimes are very costly to the County needlessly and actually cost us more in settlement and at the time of litigation. And that would be a big cost savings that Audit and Control would not be able to advise that division on.

With respect to the, I guess you're talking about bonding of settlement, I don't know what Audit and Control could do that I couldn't do. And I do know that if we need any help in the Department of Law with respect to finance -- financial help and analyzing numbers, we have no problem getting that from either Audit and Control or the County Executive's Office.

CHAIRMAN D'AMARO:

All right. And Ms. Vizzini, just -- I don't want to get into a debate about it, but I just want to know your thoughts on the recommendation to Audit and Control. What expertise would be vital to have Risk Management under Audit and Control?

MS. VIZZINI:

Well, Risk Management had been under Audit and Control. And our comment -- comments come from a recent Ernst and Young audit of the Insurance and Risk Management function, where it's not only on the front end in terms of expediting the work, but learning from what they've done and also establishing internal controls. And at a minimum, if the financial expertise is not already there, we would actually recommend that there be a financial person or position, if not made available from Audit and Control, at least created in the department to set up the internal controls. And that's what our recommendation is about.

CHAIRMAN D'AMARO:

Okay. All right. Thank you.

LEG. ROMAINE:

Mr. Chairman.

CHAIRMAN D'AMARO:

Legislator Romaine.

LEG. ROMAINE:

Yes. Good morning. How are you?

MS. MALAFI:

Good morning. Fine. How are you?

LEG. ROMAINE:

Good. Thank you. I listened very intently to your presentation, some of it made a great deal of sense. I do have a problem with Insurance and Risk Management function being transferred to the Department of Law. I really think that that should be an independent and separate function. My quandary is I believe the Comptroller has expressed no interest in taking back the function that he originally -- that his office originally had. I'm always a great believer that this County, a County of this size, should have a Department of General Services where Purchasing, Fleet Management, Insurance and Risk Management and others of that nature should exist. We've had Telecommunications, etcetera.

We have had a Department of General Services in the past, and that was abolished, I believe in the early '90s. And it just seems to be lacking because we have a lot of things that would fall into that catchment that we've parceled out all over, sometimes, like, putting Insurance and Risk Management with Civil Service certainly -- and no offense to the Director of Civil Service, who's a very qualified individual -- certainly made no sense at the time. I don't think it makes any sense to put it with the Department of Law. I think it makes more sense to follow Budget Review, but that's a personal opinion.

Could you tell me, and I just want to ask about on aspect of Insurance and Risk Management. What do you project in terms of the claims against us that we would have to pay out for Workman's Comp -- Workman's Compensation? Are those claims going to be in the -- historically similar to what they have been in past years as opposed to say this year or 2007? What would you project in terms of claim payouts in that area?

MS. MALAFI:

At the present time, we project that this year will be about the same as last year. We have no indication that there will be spike or a decrease in the claims.

LEG. ROMAINE:

And you have no cases that are pending that if we suffered a loss we might see a spike in that?

MS. MALAFI:

None have been brought to my attention, but because the Division of Insurance and Risk Management is not within my department, those people handling those cases would not report them to me. Part of the problem in the past -- in the three years that I've been here -- with Insurance and Risk Management is that they don't have any direct supervision. When they're reporting to people -- when they're reporting to who they report to, no offense to the Department of Civil Service, some of the things that they might be reporting are lost on that department, because they don't understand the impact of it. In the Department of Law, we understand the impact of it, and we can keep a closer watch on it.

LEG. ROMAINE:

Maybe -- no matter where it winds up, whether it stays with Civil Service or goes to your office or gets transferred to the Comptroller's Office, what is disturbing to me is the lack of communication with your office of things that could have a potentially legal down side. I'm just amazed that there isn't more communication with your office to make your office more aware of down sides of cases that might affect this County. It's troubling to here that.

MS. MALAFI:

We do get notified on occasion. I agree that it's not as much. My door is always open, and our phone -- we take anything. And anyone who wants to come to us and tell us anything, we do that. Right now, I don't have any control. I can't force the people in Insurance and Risk Management to report to me. I don't get monthly reports from them.

LEG. ROMAINE:

Let me understand. They're all under the Executive Branch of Government. The Executive could not construct a better scenario by Executive Order, which he does a great deal of, that would allow better communication so that when we have potential cases that we could be aware of the legal down side, the payouts that might be required so that your office could get a heads-up sooner?

MS. MALAFI:

The problem is that as opposed -- the bureaus in my department report to me monthly, and I can flag things very, very early on, maybe even before somebody in another department or another division can flag it. That's what I need.

LEG. ROMAINE:

And you have members of you staff that are assigned just to handle cases that arise out of Insurance and Risk Management, I take it.

MS. MALAFI:

I don't know what that means. The Torts cases that aren't settled by the Insurance and Risk Management Division come to my office, yes.

LEG. ROMAINE:

But isn't your -- isn't your office involved in settlements that take place that don't involve litigation?

MS. MALAFI:

No. Not unless the director, the Insurance Manager, comes to us, which she does. We have a close relationship with Leslie Baffa. She's in my office all the time. We help her whenever she needs help.

LEG. ROMAINE:

I just want to understand that before settlements are even made or even entered into or even thought about that there's discussion with legal staff.

MS. MALAFI:

No, there's not.

LEG. ROMAINE:

No? There's no discussion with the County Attorney's Office?

MS. MALAFI:

Not never, but not on a regular basis.

LEG. ROMAINE:

I don't want to belabor a point, and I'll stop there. But certainly, I would encourage the Executive -- and I know he has representatives here -- I would encourage the Executive to establish a better working relationship or format in which these cases early on could be brought to our Legal staff's attention. Thank you.

MS. MALAFI:

Well, just to comment. The Insurance and Risk Management Division has its own authority up to \$10,000 where they settle cases, and that's where the independence is supposed to come in, and I would not step on that. But they do have some independence on their own. They're not required to come to me.

CHAIRMAN D'AMARO:

Okay. Legislator Kennedy.

LEG. KENNEDY:

Good morning, Counselor. How are you?

MS. MALAFI:

Fine. How are you?

LEG. KENNEDY:

Good. I also have some questions, I guess, as far as transfers of Insurance and Risk Management. And I've been listening to the dialog. And I guess I just want to make sure I can understand or frame the issues. Out of the universe of claims that would come to the County in a year period of time, how many of them would go over this \$10,000 threshold and be over to yourself as opposed to the remainder remaining with the agency or with the department, do you know? Do you have any idea?

MS. MALAFI:

What agency or department are you talking about?

LEG. KENNEDY:

Insurance and Risk Management. If the independent authority to settle up to 10,000 --

MS. MALAFI:

I will say that in my office I get approximately 20 to 30 claims a week against the County. And usually one or two of them go over -- we just send to Insurance and Risk Management. I know that in Insurance and Risk Management what happens is someone calls the County and says, "Oh, your snowplow just hit my mailbox." I would never know about that, that would be transferred directly to

Insurance and Risk Management and they would take care of that claim. So that would not come to the Department of Law. So I could not give you a number on that.

LEG. KENNEDY:

All right. I guess I'll have to try to figure that one out. But then in that general universe of claims, Worker's Comp falls as a part of that universe; is that correct?

MS. MALAFI:

Yes.

LEG. KENNEDY:

Okay. Do you any idea as to how much of that universe? If we're talking about a thousand in a year, does Worker's Comp make up 30%, 60%, 70%? Any idea?

MS. MALAFI:

I don't know.

LEG. KENNEDY:

No idea. This would all be something that would have to come out of Insurance and Risk Management?

MS. MALAFI:

Correct.

LEG. KENNEDY:

Okay. Let's go back to the informational aspect that you've talked about as far as not necessarily having the kind of information flow that it seems you would like to have for a level of knowledge you want there. The County is represented. We have a private firm that represents us in this arena, don't we?

MS. MALAFI:

Worker's Comp you mean?

LEG. KENNEDY:

Yes.

MS. MALAFI:

Yeah.

LEG. KENNEDY:

Okay.

MS. MALAFI:

I'm focusing right now -- that comment did not focus on Worker's Comp, it focused on just ordinary claims made against the County. Like I said, your truck hit my mailbox, your police car -- you know when the police came into my house they broke the door, things like that, the smaller types of claims. And the claims that may seem small to begin with, but turned into over \$4 million in payouts with the storm in last October on the sewers.

LEG. KENNEDY:

Agreed. Again, we've got, you know, operations we're subject to on occasion, I guess, we've got liability by virtue of that fact that, you know, we operate, although who knows. But with the Worker's Comp piece in particular is it -- would you envision then that that would come into your office, you would have some kind of an original scrutiny, it would go out then to the private firm and then come back?

MS. MALAFI:

No. I would anticipate it working much the same way it's working now, but with the -- when it's being given to the outside counsel, I'd be advised at that point, or maybe even before that when the report comes in.

LEG. KENNEDY:

Have you ever considered taking that work in directly? And rather than contracting it out, have it be a function of the office directly?

MS. MALAFI:

Yes. That's been considered. And I rejected that because of the fact that I would need more attorneys to handle it than I pay in outside counsel fees right now for that particular contract. I would need at least two attorneys, and for about \$100,000 a year, I would not get two attorneys and a secretary to do the work that would be needed.

LEG. KENNEDY:

Okay.

MS. MALAFI:

And it would create a lot of potential conflicts if I kept it in-house, because those are County employees that I -- if they are sued or are witnesses to incidents that I need them for, it would create a conflict in the litigation arena.

LEG. KENNEDY:

Part of my concern there is, and the involvement in your office is the fact that we do have this -- oh, how to put it -- tightrope, I guess, a pendulum that we walk as far as our obligation to go ahead and monitor the claims, but what our responsibilities are and where -- how we implement that by use of outside counsel. That being the case, I guess I need to get some more information from Insurance and Risk Management.

The only other thing I guess I'll ask is, I see BRO talks about the fact that we should employ perhaps paralegals to a greater extent in the office. Tell me a little bit about the abolishment of an investigator and the creation of a research technician. Is it the same function that's being done at a lesser amount, is it a different need you have? What's going on there?

MS. MALAFI:

When I came into my position in January of 2004, that investigator position, which is in my Family Court Bureau, was filled. And the woman retired maybe three or four months into my tenure. I asked the bureau, "Do you need somebody else or can you make do without, is it a rush, do you not need someone?" And after about a month, they told me that, "You know what? We're covering and we're doing it fine, we don't even notice that she's not here other than missing her as a person because she had worked there for so long." That's why that's being abolished. And I have kept it open for a couple of years waiting to see whether or not we need to fill it, and we don't need to fill it. And the paraprofessionals -- the paralegals are called research technicians. I have four now and one has been requested -- an additional one has been requested for next year.

LEG. KENNEDY:

And what would the research tech -- do you have any research techs in Municipal Law now?

MS. MALAFI:

Two.

LEG. KENNEDY:

You do? Okay. And so they would just go about assisting the attorney and whatever the particular matter is that they're assigned to whether it's working with the department on a contract or an MOU or what have you? What do they do?

MS. MALAFI:

In Municipal Law, the research technicians help arrange things for all of our Legislative meetings, they help organize all of the resolutions and the backup materials for the resolutions that we have researched, they help organize the contracts, and we keep track of them to a great extent so that any contract that has gone out of -- that is sitting in my office for more than a certain period of time is flagged and pushed out of the office. We try not to let things sit in Municipal Law any more.

LEG. KENNEDY:

Anymore. Thank you, Counselor.

MS. MALAFI:

Well, anymore is for the last, you know, 20 years, not just the last three.

CHAIRMAN D'AMARO:

Okay. All right. Are there any other questions? Okay. Ms. Malafi, thank you very much. And the last person that I have a card for this morning is Bob Scroope.

MS. MALAFI:

He was with me.

CHAIRMAN D'AMARO:

Is there anyone else here who would like to address this joint meeting of the Budget and Finance Committee and Ways and Means Committee? Okay. Does anyone on our panel, any Legislator, have any questions of Budget Review before we conclude? If not, then I'll entertain a motion to adjourn. We are adjourned. Thank you.

(*THE MEETING WAS ADJOURNED AT 12:00 PM.*)

{ } DENOTES BEING SPELLED PHONETICALLY