

**JOINT BUDGET & FINANCE COMMITTEE, WAYS & MEANS COMMITTEE  
And EDUCATION & INFORMATION TECHNOLOGY COMMITTEE**

**OF THE**

**SUFFOLK COUNTY LEGISLATURE**

***Operating Budget Minutes***

A special joint meeting of Budget & Finance Committee, the Ways & Means Committee and the Education and Information Technology Committee of the Suffolk County Legislature was held in the Rose Y. Carcappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on October 23, 2012 to discuss the matter of the Operating Budget.

**MEMBERS PRESENT:**

Legislator Lou D'Amaro, Chairman, Budget & Finance  
Legislator Thomas Muratore, Member, Budget & Finance  
Legislator Ricardo Montano, Chairman, Ways & Means  
Legislator Steven H. Stern, Vice Chair, Ways & Means  
Legislator Robert Calarco, Member, Ways & Means  
Legislator John M. Kennedy, Jr., Member, Ways & Means

**ALSO IN ATTENDANCE:**

Legislator Wayne R. Horsley, Deputy Presiding Officer  
Legislator Thomas Cilmi, Tenth Legislative District  
Gail Vizzini, Director, Budget Review Office  
Robert Lipp, Deputy Director, Budget Review Office  
Rosalind Gazes, Assistant Director, Budget Review Office  
Jill Moss, BRO  
Benny Pernice, BRO  
Joe Muncey, BRO  
Craig Freas, BRO  
Robert Doering, BRO  
Diane Dono, BRO  
Tom Vaughn, County Executive Assistant III  
Ben Zwirn, County Executive's Office  
Marie Berkoski, County Executive Aide  
Rick Brand, Newsday  
Tom Melito, Deputy County Executive, Performance Management Team  
Angie Carpenter, Suffolk County Treasurer  
Gil Anderson, Commissioner, Department of Public Works

**(ALSO IN ATTENDANCE CONTINUED ON NEXT PAGE)**

**ALSO IN ATTENDANCE: (Continued from first page)**

Deborah Harris, Aide to Leg. Stern  
Justin Littell, Aide to Leg. D'Amaro  
Kevin LaValle, Aide to Leg. Muratore  
Massiel Fuentes, Aide to Leg. Montano  
Maria Barbara, Aide to Leg. Cilmi  
Laurette Mulray, Legal Aid Society  
Philip J. O'Reilly, Legal Aid Society  
Robert C. Mitchell, Legal Aid Society  
JoAnne Sanders  
Brian Lahiff, Child Care Suffolk, County of Suffolk  
Pamela Johnson, VIBS  
Daniel Farrell, AME President  
Connie Lorenza, AME Treasurer  
Ed Vogel, Budget Consultant  
Michael Finland, AME Executive Vice President  
And all other interested parties

**MINUTES TAKEN BY:**

Diana Flesher, Court Stenographer

## THE MEETING WAS CALLED TO ORDER AT 9:32 AM

### CO-CHAIR D'AMARO:

We're going to start in two minutes the joint meeting this morning. Fill out a card and -- yellow card so we know to call you up to address the Committee. The cards are available with the Clerk right here at the front of the room. Thank you.

Okay, ladies and gentlemen, welcome to the joint meeting of the Ways and Means Committee and the Budget and Finance Committee of the Suffolk County Legislature. Please join the Committee in the Pledge of Allegiance led by my Co-Chair this morning, Legislator Montano.

## SALUTATION

### CO-CHAIR D'AMARO:

We have several individuals who have signed up to address the Committee this morning and we will get to you in just a few moments. But first I would like to invite our Budget Review Office to make a brief presentation to summarize their findings with respect to the proposed 2013 Budget that was submitted by the County Executive. So, Miss Vizzini, good morning and welcome and thank you and please go ahead.

## PRESENTATION

### MS. VIZZINI:

Thank you, Mr. Chairman. We issued our annual report on the review of the Operating Budget on Friday. And I think the introduction best outlines our reaction to the Budget and, of course, in our report we have some specific recommendations for changes in expenditure and revenue lines. But generally speaking we certainly entered this budget process with a lot of challenges in front of us. We didn't get here in a year and we certainly don't expect to get out of the dilemma that we are in in terms of the Budget shortfall in that year.

In our opinion, this 2013 Recommended Budget, with certain exceptions, makes the best of a very, very challenging situation. There actually is a plan embedded in this document. That plan consists of certain salary and benefit modifications, specifically what was done with the PBA agreement in terms of the concessions for the 2011/2012 years where we did not need to budget what could have been another 43 to \$54 million.

The benefit modifications, by that I'm referring to the EMHP agreement, which close to the target annual savings of 17 million has already been reduced in this document, indicating a confidence that -- with the prescription benefit changes, and where necessary, other potential plan modifications, we will be looking to achieve savings in that area through 2020.

The second component of the plan is the borrowing. Although initially somewhat surprised, we recognize that had we had to budget \$37 million for retroactive Correction Officer salaries, that, too, would have presented a problem for us. Based on bond Counsel's opinion, the budget assumes borrowing over a five-year period for the salary award based on the fact that it is an interest arbitration award.

The Budget includes the sale of assets from the budgetary perspective. It's fortunate that we were able to gain the revenue from the sale of the land parcels in Yaphank as well as the consummation of the sale of the Skilled Nursing Facility. We have some concern in that there are no appropriations in the Nursing Home Fund should the deal not be consummated by the end of the year. If we do have to operate that facility for a month or two beyond that, it would mean that we would reduce what is expected to be a \$12 million transfer to the General Fund. And then we'd start the year off

with a hole in the General Fund. But at any rate, it's a reasonable presentation under the circumstances.

The third part of the plan, the securitization of assets -- and by that I am referring to the sale, lease back of County facilities. This Recommended Budget targets the potential cash from that transaction as \$70 million. And this is an area where although we recognize that both the County Executive and the Legislature spent a good number of months in 2012 trying to resolve the budget shortfall, and that this option is probably a better alternative than additional layoffs or additional downsizing or some of the more draconian options that were presented, it is a concern. It still has to be approved by the State. And it is another form of a one-shot.

Our recommendation would be to pursue recurring revenue in the form of an increase in the rate of sales tax. This is something that would -- if it materializes, would provide us with 68 to \$70 million in recurring revenue, which if we look at where we're going into 2014, we will need.

There is, however, recurring revenue as another tentative plan and that is in the form of the property tax increase, which happens to be in the Police District. That generated \$12.4 million in new revenue. From a budgetary perspective we were very happy to see that recurring revenue. There's also the revenue anticipated from the creation finally of the Traffic Violations Bureau, which hopefully will get up and running as is anticipated in the Budget in April. And there will be revenue there from not only our current stream of revenue for the Red Light Cameras, but the new administrative fees for the Red Light Camera infractions as well as administrative fees for the Traffic Violations infractions.

There is some organizational changes. Specifically Consumer Affairs is consolidating with the Labor Department. That -- the positives with that is administrative efficiencies in terms of the larger department absorbing some of the budgeting, personnel, purchasing responsibilities, freeing up some of the investigators and inspectors to go out and do their normal duties.

Risk Management is transferred to the Law Department. And we're very hopeful that -- we're hopeful that Performance Management -- I see they're about to make a presentation today -- has been talking to many departments. And there are some efficiencies implicit in the departmental expenditure and revenue items, that there will be more coming from the Performance Management in 2013 and moving forward to 2014.

A brief comment on 2014 is addressed in our section on budget shortfall. On page 23 of the report, we talk about -- you know, there are -- you know, statement of fact there are about \$210 million in one-shots applied in this 2013 Budget. And as we have commented in the past, we need to wean ourselves from the one-shots and move more towards a recurring revenue in order to address the escalating cost. Despite our best efforts to reduce expenditures, we still have considerable increases in mandated costs before retirement. Even with the EMHP, there are some -- health insurance naturally has a track record of increasing by approximately eight-and-a-half percent annually according to the Kaiser Index.

But at any rate, looking around the corner to 2014, we could identify as much as \$154 million if we would do the budget shortfall right now. However, much of that, an estimated \$77 million would be for what we expect would be possible salary increases for the Public Safety Unions that have not yet come to an agreement with the County. Should we continue -- and, of course, we can only continue to bond for these costs if they are arbitrated. That could provide us some relief. Or if we were able to do something along the lines which we did with the PBA, which was to look for an equal amount in concessions, so that what we might save through the bonding we would get through these concessions. And as I indicated earlier, we would also underscore the need to pursue an increase in the rate of sales tax so that we would have recurring revenue to support our service delivery and our operations.

**CO-CHAIR D'AMARO:**

All right. Thank you very much, Miss Vizzini. I appreciate your thorough presentation, your summary, at least, of the written report that you made available to all of us on Friday.

I think I'll start just by opening it up to any questions from any member of the joint Committee this morning of the Budget Review Office. And then we'll get onto the public speakers.

**CO-CHAIR MONTANO:**

I just have --

**CO-CHAIR D'AMARO:**

Legislator Montano, please go ahead.

**CO-CHAIR MONTANO:**

Thank you.

Yeah, Gail, just picking up on that last point, the sales tax projections that are estimated in the Budget for next year are what? 3.5?

**MR. LIPP:**

3.75.

**CO-CHAIR MONTANO:**

And what are your projections?

**MR. LIPP:**

3.5.

**CO-CHAIR MONTANO:**

Okay. So it's 3.75 projected by the County Exec and 3.5 projected by you.

**MR. LIPP:**

Right. But part of the problem, though, is we're projecting slower growth this year so a lower base.

**CO-CHAIR MONTANO:**

So our shortfall this year is what, about five million?

**MR. LIPP:**

The shortfall would be a little over five million, correct.

**CO-CHAIR MONTANO:**

And then if there's -- if you're correct and they're not or vice versa, what's the difference?

**MR. LIPP:**

The two-year impact would be 12.7 million in the General Fund; another million in the Water Quality Fund.

**CO-CHAIR MONTANO:**

So about 14 million or almost 14 --

**MR. LIPP:**

Close. 13.7. Close.

**CO-CHAIR MONTANO:**

Okay, I'll take 14. All right. Thank you.

**CO-CHAIR D'AMARO:**

Yes, Legislator Horsley.

**D.P.O. HORSLEY:**

Yeah. Good morning and thank you for your presentation. And, I guess, I accuse us of having a rosier view sometimes of the finances. Let me -- let me -- let me go back to the sales tax issue. I'm kind of curious when you say that, you know, 3.4 is what you're estimating, what was our -- what was the lightest quarter? And where are we at right now in '012?

**MR. LIPP:**

'012, I like that term. Okay. So where we're at is, the Budget assumes 3.85 % growth for 2012.

**D.P.O. HORSLEY:**

Right.

**MR. LIPP:**

Year-to-date. We're a little bit ahead of that actually. I believe it's 3.96.

**D.P.O. HORSLEY:**

Close to 4.

**MR. LIPP:**

Yes. So, the point to be made there obviously is we're a little bit ahead coming into the fourth quarter. So the projection that we're making is the fourth quarter is not going to be a good quarter.

**D.P.O. HORSLEY:**

Yeah, I see that. So what you're saying, then, is that you are projecting next year to be a worse year than this year. And what -- you know -- and I understand the macro level of economics and stuff like that, Europe and China and all this kind of stuff, but what you're saying is that next year's sales tax projections are going to be worse than this year's what we already see, what we already realized.

**MR. LIPP:**

Yeah, what we're --

**D.P.O. HORSLEY:**

So is there no play in this number that you've come up with?

**MR. LIPP:**

Well, basically, you know, sales tax forecasting is not an exact science.

**D.P.O. HORSLEY:**

I know that.

**MR. LIPP:**

A one percent error admittedly is a reasonable forecasting error, if you look at how the data works. And we have a pretty decent track record, we think, and we have a pretty sophisticated forecasting model. That being said, the -- starting out with the fourth quarter this year, the reason why we're expecting it not to be good is, in part, the economy won't be great; but more so for technical factors. The way the data comes in, we probably will do significantly worse, say, about a full percentage point worse, simply because some of the monies we get for sales tax have nothing to do

with current consumer spending or the economy. And we did famously fourth quarter last year, if you look at what the typical stuff is in terms of these non-economic or non-consumer spending factors, we would expect 1% less.

So, for instance, if we got the 3.59% fourth quarter growth that would be required in order to make budget, we're saying then in reality we're going to need 4.59 because of those factors. That being said, then we go -- we go forward into 2013. And there's a lot of uncertainty out there in terms of the fiscal cliff, for instance, at the federal level, high probability of payroll tax going up, less likely but uncertainty associated with the Bush Tax Cuts, Unemployment Insurance, things like that, that are likely to come through. But there's a lot of uncertainty out there. You also have -- consumer spending, really, is going to be driven to a large extent by jobs and income growth. And that's not likely to pick up in our estimation based upon what we're looking at until the second half of next year.

**D.P.O. HORSLEY:**

Okay. And even -- so basically what you're saying is because of national, international rationales, you know, the fiscal cliff, we've all heard so much about that -- the reason why -- this is the reason why you are projecting a lower -- a lower percentage increase than, say, even the County Executive or that we're going to be looking at in our budget process, is because you have no -- you do not believe -- outside the fiscal cliff route, that these things will not be straightened out after the election; you're basically a pessimistic view of what the future may hold --

**MR. LIPP:**

I think it's a realistic --

**D.P.O. HORSLEY:**

-- politically?

**MR. LIPP:**

No, I think it's a realistic view, number one. Number two, we have a fairly sophisticated model that I could speak to, but that probably would not be a good idea here. And when you look at those factors including trend factors, we -- this is -- where we see the forecast is going.

**D.P.O. HORSLEY:**

Okay. I appreciate it. The point, I think, I'm just looking for from you, Robert, is that, you know, these are -- these projections are contingent on issues that are political, which may or may not happen. And that in actuality we may have a better year next year than you're forecasting? And that there's some estimate -- {estimate-tation} in this -- in this --

**MR. LIPP:**

Yeah, no disagreement there at all. And, in fact, what I said earlier on about a minute-and-a-half ago, was that forecasting error of 1% is pretty darn good. So, you know, you do the math and we're --

**D.P.O. HORSLEY:**

I cautioned with, *with all do respect*, Robert. I'm just --

**MR. LIPP:**

No, no.

**D.P.O. HORSLEY:**

I'm just trying to point out that when we put this Budget together, that there's some play with this.

**MR. LIPP:**

Oh, yeah, no doubt. Like I said, a forecasting error of 1% puts our forecast in the same ballpark as the County Executive's forecast, so it's not like *these are mad forecasts*. We just think they're a little bit optimistic. That's all.

**D.P.O. HORSLEY:**

Okay. Thank you.

**CO-CHAIR D'AMARO:**

Okay, thank you, Legislator Horsley. Legislator Kennedy, you had some questions?

**LEG. KENNEDY:**

I do. And I want to stay with that theme on sales tax. Thank you, Mr. Chair.

Robert, I think that, you know, it should come as no surprise to you that we're all interested in trying to hone in as closely as possible on where things will be certainly into next year, sales tax being the largest revenue source that we have. And looking at wanting to be responsible in the projection that we adopt, and understanding that, you know, if we're too optimistic, we miss the mark; and if we're too cautious, in essence, we underfund what's an important revenue stream.

I do not want to hear what all the model is. I have great respect for what you do. And I know there's only a handful of guys at your level that actually look at this. But I do want to just talk a little bit about some of the factors that may be out there. In one respect I want to give the County Executive a bit of a compliment because of some of the work that the IDA has just done recently. And a number of the additional projects that we've heard that are being funded, jobs being created and people coming onboard with businesses, businesses being kept here and businesses being expanded. The d'addario is one of them, as a matter of fact, who just received significant accommodation and his pledge for additional folks.

You also -- you talked a little bit about the payroll tax holiday. It may have been of some benefit. It's only been in place for 24 months. When you look at sales tax projections and consumption prior to that, it was being done by consumers absent that holiday. That's not to minimize it. I think it provided some help. But I think there are factors out there that might look towards, you know, something that may give us a little bit more of a tailwind.

The other thing that I want to ask you, and this really does, I guess, have to do with the model, you know, the Christmas season and holiday season is the largest consumer event, if you will, every calendar year. And our fourth quarter, we're dealing with what? It overlaps the calendar, doesn't it? November, December, January.

**MR. LIPP:**

Yes. The fourth quarter really goes through December actually. And then what we do is -- it's really -- we accrue back through February. So, in other words --

**LEG. KENNEDY:**

Right.

**MR. LIPP:**

-- our budget year is not over for 2012 until about two-thirds of the February revenues we get.

**LEG. KENNEDY:**

So, you know, I'm just going to assume that your model takes into account what predictions are regarding consumer spending, particularly consumer spending associated with this holiday season. And then what you would look at going into next year. And the other thing -- one other thing I'm

going to ask you to speak just briefly about is, is the concept of base. I will tell you I have struggled to try to grasp it and understand it. But the layman's perspective, I get is, is even though we're doing better, it seems like we're doing worse because of that concept associated with base. Am I off base or is that it?

**MR. LIPP:**

By base, you mean what the actual number was for the previous year? Question mark.

**LEG. KENNEDY:**

I assume so. Because when I read the analyses, I see you make reference to base and what's going on with sales tax receipts in the particular -- particular calendar year.

**MR. LIPP:**

What we have is -- and I don't want to go in any technical stuff so I don't lose people, but what we do is, the forecasts are based on quarterly data, okay, not annual, not monthly. Monthly would be useless because it's a quarterly system.

**LEG. KENNEDY:**

Sure.

**MR. LIPP:**

So you don't know what's going on until you get the last check of the quarter, even though everybody wants to talk about each check. So, therefore, we have a seasonality thing, you know, and the model, you know, takes into account -- seasonally adjusts to the data, all sorts of interesting stuff there. So we're aware of that.

We also have economic projections from the forecasting service that we subscribe to that's pretty reasonable that shows, you know, where the economy is projected to go. And like Legislator Horsley said, you know, there's always some play there in terms of whether or not the forecasts are going to be higher or lower. Actually, you know, I could make a good case for why I think our numbers might even be a little bit on the high side. And, of course, you know, you can make -- I can make a case also for why the Executives numbers would be okay also. And we're pretty confident in our numbers, though.

We just -- you know, we see in spite of all the economic development stuff that's all good stuff, and even if it comes to fruition, a lot of that is more long term. We're talking very short term here. And from our estimation, the big thing that's driving consumer spending now is the difficulty with the lousy labor market and income growth. It's really hard to see an uptick in consumer spending if, you know, jobs aren't picking up and income growth is not picking up.

**LEG. KENNEDY:**

Okay. So I guess we're all going to have to keep our eye on we're going to have great expectations on our new initiatives with Labor and Consumer Affairs. Thank you.

**MR. LIPP:**

And I think one point that's worth noting bigger picture-wise, not just for what the specific micro forecasts are, but in our budget shortfall write up, which is the first section of the report, we show what the shortfalls are moving forward in 2014. And we say look, even if you increase -- if you double, let's say, a -- a typical average growth rate may be for sales tax is, let's say, 3%, let's say double it, okay, an extra 3%, you get like 35-and-a-half million more. And that's just going to be a small piece of what our problems are. So the economy and sales tax are not going to wallpaper over our problems is the point there.

**LEG. KENNEDY:**

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

**CO-CHAIR D'AMARO:**

All right, thank you, Legislator Kennedy. I had a couple of quick questions, also, for the Budget Office before we go to the public portion. I wanted to focus a little bit on revenue that you discussed, Gail, during your presentation. I know that you talked about the Police District increase, which I believe is not quite up to the 2% cap; is that correct? And, if so, to what percent has that been taken in the Recommended Budget by the County Executive?

**MS. VIZZINI:**

You want that?

**MR. LIPP:**

Okay, so the 2% State Property Tax Cap is -- it's not actually 2%. There's a formula, okay? And it takes various factors into account including inflation. And when you do the math, it allows us to increasing it by 2.48%. So 2% is really 2.48. That being said, the Recommended Budget increases taxes by 2.24%, which is below the cap, which is really 2.48%. That's broken up into a 2.63% increase for the Police District and a 10.93% decrease in the District Court, and a 3% increase in the sewers. If we went over to -- up to the allowable 2.48% cap, we could do another 1.4 million in change.

**CO-CHAIR D'AMARO:**

Okay. Then, also, as a new revenue stream, recurring revenue to the County proposed beginning April 1 would be the Traffic Violations Bureau. How much in the Recommended Budget is projected for 2013 beginning April 1?

**MS. VIZZINI:**

Okay. The Traffic Violations Bureau is its own fund. There is \$37 million in total revenue projected there. The majority of that is the Red Light Camera funds, which we -- you know, we're continuing that, but we're also relocating 35 cameras to what we hope to be better locations. And we've got an additional 50 locations. So that revenue reflects those two assumptions.

We have late fees on that of 1.6 million. The Budget institutes a -- I think it's a \$30 administrative fee on top of the fine. And the projected revenue for that is 5.7. And revenue related to the traffic infractions themselves is projected at 3.5 with an additional administrative fee on those of 3.9 million.

**CO-CHAIR D'AMARO:**

So that revenue all relates to the Red Light Camera Program?

**MS. VIZZINI:**

It's the combination of the Red Light Camera and the Traffic Violations.

**CO-CHAIR D'AMARO:**

Right. But I'm trying to determine how much of that is allocated to the Red Light Camera Program and how much is allocated to the TVB?

**MS. VIZZINI:**

We address that very question on page 312 of the report.

**CO-CHAIR D'AMARO:**

Okay.

**MS. VIZZINI:**

There's a chart that basically 29.5 million is Red Light Camera associated revenue. And 7.4 million is related to the traffic fines and ticket administrative fees.

**CO-CHAIR D'AMARO:**

And that would be 7.4 million to the TVB starting April 1, when operations are projected to start -- the plan is to start.

**MS. VIZZINI:**

Correct. Remember, the TVB -- Red Light Camera is a piece of the TVB.

**CO-CHAIR D'AMARO:**

Right. Okay. And by combining the two, the Red Light Camera Program and the Traffic Violations Bureau, in effect, the Red Light Camera Program is subsidizing the startup costs of the Traffic Violations Bureau?

**MS. VIZZINI:**

Combining the two, you have a break even. And also that you have a transfer of \$16.3 million to the General Fund. So it's a revenue source to the General Fund.

**CO-CHAIR D'AMARO:**

Right. So with the two programs together, it's a positive; you're in the black for 2013 when you combine the programs.

**MS. VIZZINI:**

Based on the Budget presentation, yes.

**CO-CHAIR D'AMARO:**

Yeah, okay, very good. All right. I don't have any other questions. Any other questions from my colleagues at this time? Okay, I'd like to first call -- okay, before we go to the cards, the County Budget Office, did you want to come up and do any kind of presentation this morning or you're just here in the event? Okay.

**MR. POLLERT:**

Just observing.

**CO-CHAIR D'AMARO:**

All right. Just for the record they'll observe at this time. All right.

**PUBLIC PORTION**

All right. So let me call first -- I have three cards from the Legal Aid Society, if you'd like to come up. That's Laurette Mulry, Philip O'Reilly and Bob Mitchell. Good morning. If you could all kindly just state your name for the record first and then please go ahead. Yeah, the mic's not on.

**MR. MITCHELL:**

Robert Mitchell, Attorney in charge of Legal Aid Society of Suffolk County. I'm not going to speak. I'm not going to belabor the issues. I spoke to everybody several times. And Miss Mulry will make the presentation.

**MS. MULRY:**

Yes, hi, good morning. My name is Laurette Mulry.

**CO-CHAIR D'AMARO:**

Right. Before we do that, though, sir, could you state your name for the record, please, just so we have it for the transcript that you're present.

**MR. O'REILLY:**

Phillip O'Reilly, Legal Aid Society.

**CO-CHAIR D'AMARO:**

Thank you very much. Okay, and, please, go ahead.

**MS. MULRY:**

Chairman D'Amaro and Montano and members of the joint Committee, good morning. Again, my name is Laurette Mulry. I'm here -- I'm proud to be here on behalf of the Legal Aid Society this morning to discuss our Operating Budget for 2013. And I beg your indulgence because some of this will be redundant to some of you because we have gone around and met with a lot of you and we did present to Ways and Means Committee before; however, after seeing the report of the Budget Review Office this past Friday, we thought it important to come back to clarify, expound upon and highlight some of the issues that we see for ourselves as well as the Budget Review Office sees for the Legal Aid Society.

And at the outset I would like to say that Budget Review Office has proposed an additional \$337,000 of funding for the Legal Aid Society specifically to be allocated to, one, our medical expenses, there are anticipated projected increases in premiums for next year. And, secondly, to cover a portion of what we were asking for for salary increases. And we are very appreciative that the Budget Review Office of this Legislature has acknowledged that what was provided in the Recommended Budget is inadequate to cover or adequately cover our programs and services.

And what are our services? I think you all know we provide a mandated service of government pursuant to Article 18-B of the County Law. We are -- Legal Aid is the primary provider of indigent legal defense in the County. If Legal Aid cannot handle those cases because of conflict, then there is an Assigned Counsel Plan, which is a rotating panel of private attorneys, who then come in to accept assignments. Let it be said that it is more cost effective -- much more cost effective for the Legal Aid Society to handle these cases. We've said this many times. And, again, this is in no way a criticism of our brethren in the private sector that handle 18-B cases. They do a wonderful job. This is merely a dollars and cents analysis. And if you look at the dollars and cents, it costs approximately \$400 per case from first appearance through final resolution. For a Legal Aid Attorney to handle a case, that same case handled by an 18-B could cost upwards of a 1,000 or more dollars.

And that's purely because we are -- our employees are salaried. It's contracted for. You know what that cost is going to be. It's fixed. Whereas with 18-B's that's done on a voucher basis. So vouchers are submitted based on an hourly rate of pay. And the Budget Review Office did, in fact, state in its report that it is fiscally preferable for the Legal Aid Society to handle these cases. And we do handle these cases. We handle a lot of cases. Last year alone we handled over 30,000 cases; 22,000 in District Court alone. Our District Court Court Attorneys have very high case loads, upwards of 400 to 600 cases annually.

In deed I do see that DA's have staffing issues. And many of the staffing issues that they have we have as well. Our attorneys are strained because of heavy caseloads. They're strained because of the complexity of those cases. They're strained because the complexity of those cases require tremendous investigative work. They're strained also because of the numbers of Courts that they have to be in. They have to be in the specialty courts, the IDV, the Integrated Domestic Violence Court, the Drug Court, the Town and Village Courts, definitely the night Courts. So, you know, wherever the DA's have to go and the County Attorneys -- excuse me -- also Legal Aid has to be

there, too, to provide equal representation.

Sorry, forgive me. So what is it that Legal Aid is looking for or looking for you to consider? Certainly our Budget -- there are three components to our budget. There's the salary line, there's health insurance costs and there's the pension. We have been very proactive in trying to cut back our costs. We froze our pension plan, the fiscally responsible thing to do, back in 2010. We went to a much less desirable, I guess, you would say from our employees' perspective plan of a defined contribution plan.

Secondly, we were able to gain entrance into the New York State Health Insurance Program NYSHIP in 2011, which resulted in a cost savings to the County of approximately 30%. In fact, in 2011 alone, it saved the County \$640,000 just from going from our private plan to the State's medical plan. Thirdly, we ask our employees to contribute 20% towards the cost of their own medical care. So, with these proactive measures we are asking for you to take a look at that and take some of those resources and give them back to the Legal Aid Society to be able to bolster the services that we provide.

First, we'd like you to look at our salaries. At this point right now we don't have the same starting salary as our counterparts in the DA's Office and the County Attorney's Office. And we would love for there to be an even playing field right from the very start. Secondly, we would love for you to consider giving us the full amount of salary increase that we ask for, which is just commensurate with what the DA's and the County Attorneys get as part of their contractual increases. We would also like you to --

**CO-CHAIR D'AMARO:**

What's the cost of doing that if I could interrupt you? What's the cost of --

**MS. MULRY:**

Oh, I'm sorry. It's in the package. It's --

**CO-CHAIR D'AMARO:**

-- giving the same starting salary, what do you project?

**MS. MULRY:**

Oh, for the same starting salary?

**CO-CHAIR D'AMARO:**

Yes.

**MS. MULRY:**

Well, we have a starting salary of 55,000. We're not sure of the numbers for the County Attorney and the DA's Office. I do believe it's somewhere 58,000.

**CO-CHAIR D'AMARO:**

Okay. You're not sure? You're not sure? I'm surprised.

**MS. MULRY:**

Well, as far as I know, the County Attorneys it's just short of 58,000. And the DA's it's probably in the 57,000 range. But, you know, what I do want to point out to you is that, all right, there is that disparity at the very beginning. But then there is a lot more flexibility for our counterparts and those agencies to get raises. They have those contractual increases built in. So the glaring disparity gets bigger and bigger in time.

**CO-CHAIR D'AMARO:**

Well, there's a salary schedule when you're with the District Attorney's Office.

**MS. MULRY:**

There are steps and grades, yes.

**CO-CHAIR D'AMARO:**

And the County Attorney.

**MS. MULRY:**

Yes, that Legal Aid does not have.

**CO-CHAIR D'AMARO:**

Right. Which Legal Aid -- you don't follow a set schedule of salary increases and steps and annual raises?

**MS. MULRY:**

No, we don't. No. We come here and we ask you for increases.

**CO-CHAIR D'AMARO:**

Right. So does the Legal Aid -- does the organization grant raises at any time?

**MS. MULRY:**

It has, but, of course we have to -- we are beholden to ask you for increases.

**CO-CHAIR D'AMARO:**

Okay. So there's a disparity, you feel, between the starting salaries of about two to three thousand --

**MS. MULRY:**

Yes.

**CO-CHAIR D'AMARO:**

-- with the starting attorney --

**MS. MULRY:**

Yes.

**CO-CHAIR D'AMARO:**

You know, per starting attorney --

**MS. MULRY:**

Per starting attorney.

**CO-CHAIR D'AMARO:**

And then there's also the issue of giving commensurate raises --

**MS. MULRY:**

Yes.

**CO-CHAIR D'AMARO:**

-- with the County Attorney's Office and the DA's Office. What's the cost of doing that for 2013?

**MS. MULRY:**

For 2013 it's 231,940 -- I'm sorry -- 492 dollars. There was a handout. I think you have it right in front of you.

**CO-CHAIR D'AMARO:**

231,000. 231,000. So how does that work? Let's say --

**MS. MULRY:**

That's the cost of living increase.

**CO-CHAIR D'AMARO:**

Okay. Let's say we put 231,000 into the Budget for 2013. So on day one, then, do you go ahead and just bring everyone up to where you believe they should be on par with their counterparts? How does that work? Aren't raises usually based on merit at that point?

**MS. MULRY:**

Yes, there is a merit-based evaluation of our attorneys and support staff.

**CO-CHAIR D'AMARO:**

But how would you expend the 231,000? How would you make those decisions? Would it be an automatic -- everyone would get an automatic increase on January 1 just to bring them to the level where you believe they should be?

**MS. MULRY:**

It's done as a cost-of-living increase, yes.

**CO-CHAIR D'AMARO:**

All right. So, if we do that --

**MS. MULRY:**

Across the board.

**CO-CHAIR D'AMARO:**

Okay, then what we'd have to do to keep that parity going year after year, is we would have to budget what you believe would be the -- you would, in effect, want to go on the same salary pay scale as what the County employees are doing?

**MS. MULRY:**

Yes, ideally.

**CO-CHAIR D'AMARO:**

Otherwise you would never keep pace.

**MS. MULRY:**

Ideally, yes.

**CO-CHAIR D'AMARO:**

All right. Is there any one with Legal Aid who outpaces the salary pay scale of the County?

**MS. MULRY:**

That I don't know.

**CO-CHAIR D'AMARO:**

You know, rank and file attorneys, let's say.

**MR. MITCHELL:**

No.

**MS. MULRY:**

No.

**CO-CHAIR D'AMARO:**

No, okay. So what you're really asking, in effect, is for 231,000 next year just to bring everyone equal to where you believe they should be because they're different positions, but I guess you have some idea of what a comparable position would be. And then every year thereafter you would ask us to automatically budget the same increases that went for County employees; that's what you're looking for?

**MS. MULRY:**

Yes.

**CO-CHAIR D'AMARO:**

Yeah, okay. All right, go ahead.

**MS. MULRY:**

We also ask that you consider our pension. I know that was a big number that we were asking for; however, again, we did the fiscally responsible thing in freezing that pension back in 2010 and that remains as a liability for the Legal Aid Society. And, in fact, in the Budget Review Office's report, it had said -- they did say it does make fiscal sense to make some contribution towards that -- that liability, to try to zero it out. Thirdly, bottom line --

**CO-CHAIR D'AMARO:**

Could I just stop you on the pension? So when you say "froze the pension", what exactly do you mean by that?

**MS. MULRY:**

We went from a defined benefit pension plan to a defined contribution plan. So there are no more liabilities accruing for that defined benefit plan.

**CO-CHAIR D'AMARO:**

All right. So, the pension plan is now a defined contribution plan; is that what you're saying?

**MR. O'REILLY:**

What it is is -- we saw what was happening, the costs of continuing a defined benefit plan as the County has and the ramifications of it. We froze it. There's still liabilities with that. We did have a problem with the markets, as everybody else did, in 2007/2008. We have liabilities that exceed our assets. We have to make that up. That's where the million dollars would go towards that.

**CO-CHAIR D'AMARO:**

So there's a deficit in the plan that was frozen --

**MR. O'REILLY:**

Yes, there is.

**CO-CHAIR D'AMARO:**

-- which you're carrying right now?

**MR. O'REILLY:**

Yes.

**CO-CHAIR D'AMARO:**

Is that going to have an immediate effect on Legal Aid? I mean, when does that become an issue as far as having to make payouts?

**MR. O'REILLY:**

Well, we have made some payouts out of it already. If we can forecast what the markets are going to do, we'd have a better idea.

**CO-CHAIR D'AMARO:**

Right, I understand. What's the deficit amount in that plan that's frozen?

**MR. O'REILLY:**

It's around \$3 million.

**CO-CHAIR D'AMARO:**

Okay.

**MR. O'REILLY:**

It's very hard to determine that also because of the interest rate fluctuations. We're at a very low period of interest rates; therefore, if you're entitled to a lump sum, our liabilities go up and you people understand --

**CO-CHAIR D'AMARO:**

Sure.

**MR. O'REILLY:**

-- the ramifications of that.

**CO-CHAIR D'AMARO:**

So now you have a defined contribution plan?

**MR. O'REILLY:**

Yes, we do.

**CO-CHAIR D'AMARO:**

Okay. Which -- just give me a brief description of how that works?

**MR. O'REILLY:**

Basically people who qualify, which are most people who have a year's tenure with the Legal Aid Society, would get a percentage of their salary. Everybody would get the same percentage. That's also flexible. We don't have to pay in if we don't have the money.

**CO-CHAIR D'AMARO:**

It's discretionary on the employers' behalf?

**MR. O'REILLY:**

All discretionary.

**CO-CHAIR D'AMARO:**

Okay. So, what -- you started that in what year? Two thousand --

**MR. O'REILLY:**

And eleven.

**CO-CHAIR D'AMARO:**

Okay. And have you made a match contribution?

**MR. O'REILLY:**

We have made a contribution.

**CO-CHAIR D'AMARO:**

All right. What percentage have you made?

**MR. O'REILLY:**

Six percent.

**CO-CHAIR D'AMARO:**

Six percent, okay. What was the cost of that doing that in 2012?

**MR. O'REILLY:**

A little bit shy of 500,000.

**CO-CHAIR D'AMARO:**

Okay. Thanks. Go ahead.

**MR. O'REILLY:**

You're welcome.

**MS. MULRY:**

Okay. And the last component that we'd like you to consider is our healthcare costs. And, of course, as we said, we had gotten into the New York State Plan last year, which did result in a 30% savings. We do have a net projected increase in premiums for next year. That's what we ask for. So, bottom line, we would love to be covered for, obviously, the health insurance component. Otherwise, you know, it might require us to either cut services or maybe even ask our employees to contribute even more than the 20 percent that they're contributing. In an ideal world, we would love for you to cover the full cost of medical and again bring us to par with our counterparts in the other agencies.

**CO-CHAIR D'AMARO:**

Okay. What is the anticipated -- what's the cost in 2012 of your healthcare premiums?

**MS. MULRY:**

The net projected increase is about \$220,800.

**CO-CHAIR D'AMARO:**

Right. Okay. That was my second question. The first question is just what's the cost of your premium this year?

**MR. O'REILLY:**

About a million and two.

**CO-CHAIR D'AMARO:**

Yeah. And it covers how many employees?

**MR. O'REILLY:**

That varies.

**CO-CHAIR D'AMARO:**

Roughly.

**MR. O'REILLY:**

Excuse me again. I'm sorry. Probably a family plan and single, probably about 90,000 -- 90 some odd -- 96, 97.

**CO-CHAIR D'AMARO:**

And currently your employees are making 20% contribution towards the premium?

**MR. O'REILLY:**

Yes, they are.

**CO-CHAIR D'AMARO:**

Okay.

**MR. O'REILLY:**

Yeah, I'm not sure exactly the figure because we do have the Children's Law Bureau, which is not part of this budget. And they're included in the same plans with the defined -- with the contribution for the pension and the medical insurance.

**CO-CHAIR D'AMARO:**

Okay. Well, we're not going to break that out here this morning, but okay. Okay, is there anything else? Yep, just let her finish. Go ahead. Anything else?

**MS. MULRY:**

No.

**MR. MITCHELL:**

That's it. Thank you very much.

**MR. O'REILLY:**

If I may --

**CO-CHAIR D'AMARO:**

Sure.

**MR. O'REILLY:**

Legislator Kennedy picked up on the fact that during 2011 we returned to the County, so to speak, return. We did not claim, which is the same effect, approximately a million dollars. We had asked for a modification from the County Executive's Budget Office to allow us to put some of that money towards the pension deficit and they refused. There's a memorandum, I think, addressed to the County Executive's Budget people in the package that Miss Mulry presented to you today. But we tried to spend as little as we can, but at the same time, we have to run the business and do the job properly. And I thank you for your considerations.

**CO-CHAIR D'AMARO:**

I had one more question, then I'll turn it over to Committee members. The pension component that you spoke to this morning with the now new defined contribution plan, what's the dollar amount you're requesting in 2013? Because you're looking to offset the 6% contribution you're making.

**MS. MULRY:**

We're asking for -- we were asking for a million dollar contribution to pay down that pension liability.

**CO-CHAIR D'AMARO:**

So you're not looking towards the new plan? You want to pay down the liability on the old plan. And you're seeking one million?

**MR. O'REILLY:**

We're also asking for money to pay for the defined contribution plan.

**CO-CHAIR D'AMARO:**

Right. And how much do you allocate to that?

**MR. O'REILLY:**

Well, a lot again, depends on how the figures come out, but I would say that probably around \$500,000 again, if we do it.

**CO-CHAIR D'AMARO:**

Okay. So you're asking -- right -- for the funding of the employer match, in effect.

**MR. O'REILLY:**

Yes.

**CO-CHAIR D'AMARO:**

Yeah, okay. Very good. All right. First I had Legislator Montano, my Co-Chair this morning, had some questions.

**CO-CHAIR MONTANO:**

Yeah. Good morning. I want to go through this really quickly. I don't want to get bogged down. You know, I've long been an advocate of pay equity. Did you answer the question we're at with respect to how much dollars-wise would be needed to achieve pay equity for Legal Aid Attorneys and DA's?

**MS. MULRY:**

I don't know that exact number. Right now --

**CO-CHAIR MONTANO:**

Why not?

**MS. MULRY:**

-- we start at -- our starting salary is 55.

**CO-CHAIR MONTANO:**

Right. No, I got that.

**MS. MULRY:**

Oh, okay.

**CO-CHAIR MONTANO:**

You start at 55. They're at 57. What I'm asking is what dollar amount would be required to reach to the pay equity? And would that only entail entering attorneys or would it entail attorneys with the same level of experience and time in? Do you have those numbers?

**MS. MULRY:**

No, I don't have those numbers today.

**CO-CHAIR MONTANO:**

Can you -- did you have them at one time?

**MS. MULRY:**

I can put them together for you.

**CO-CHAIR MONTANO:**

I thought we had this conversation?

**MS. MULRY:**

Yes, I can put those together for you.

**CO-CHAIR MONTANO:**

Okay, I'd like to see them.

**CO-CHAIR D'AMARO:**

Very quickly, if I could just interrupt, you had mentioned this figure of 231,000 for raises.

**MS. MULRY:**

Yes.

**CO-CHAIR D'AMARO:**

And I believe that was to meet the starting salary increase as well as the parity issue.

**MS. MULRY:**

No.

**CO-CHAIR D'AMARO:**

No? Okay, what was the the 231?

**MS. MULRY:**

The 231 is strictly cost-of-living increase tied to -- or to be commensurate with the DA's and County Attorneys contracted for increases.

**CO-CHAIR D'AMARO:**

Right. So that would give you the parity that you're looking for.

**CO-CHAIR MONTANO:**

No, no.

**CO-CHAIR D'AMARO:**

Oh, just the increase of --

**CO-CHAIR MONTANO:**

Yeah, it would continue them at the same level of inequality that they're been under for the last 37 years years since I've been practicing; am I correct?

**MS. MULRY:**

Yes.

**CO-CHAIR D'AMARO:**

Right. And a onetime increase that would bring you into parity, we don't have the dollar figure on that. That's what Legislator Montano's speaking to.

**MS. MULRY:**

No.

**CO-CHAIR MONTANO:**

Very quickly. I don't want to digress but we did have sort of a side-bar a little while ago with respect to this lawsuit that was filed -- I believe it was filed by the ACLU. And it involves your office; am I correct? As I -- and the reason I know is because I was deposed. I was noticed to be deposed in the lawsuit. And what I believe -- I haven't read the pleading, but what I believe it alleges is that there is a -- because of your lack of funding or adequate funding, you're not providing adequate presentation for your clients; is that the nature of that lawsuit?

**MR. O'REILLY:**

Yes, it is.

**CO-CHAIR MONTANO:**

All right. Now, let me ask you this: Assuming that lawsuit were resolved within the next fiscal year, do you have any idea of what the financial impact would be? Or maybe, Gail, do you know what I'm talking about? Bob? I'll take any answer.

**MR. MITCHELL:**

Would be huge.

**CO-CHAIR MONTANO:**

Yeah, what's huge? In the mic, in the mic.

**MR. MITCHELL:**

They're talking millions of dollars.

**CO-CHAIR MONTANO:**

Well, how many millions?

**MR. MITCHELL:**

I mean, don't forget, we're handling 4 to 600 cases. And they're talking about 150 cases an attorney. And the numbers they're talking are outrageous. I mean, they're going to EBT me Thursday or -- all day, yeah.

**CO-CHAIR MONTANO:**

Well, good luck. Let me know what they ask you. Let me ask you this: You're not a party to that lawsuit?

**MR. MITCHELL:**

No. The County is, but they're EBT-ing us.

**CO-CHAIR MONTANO:**

Well, they EBT'd me also, but I'm not sure why. But you don't have an idea of what impact that would have on next year's budget if they are successful; am I correct? I mean, you haven't studied that because you're not involved?

**MR. O'REILLY:**

We took a look at it --

**CO-CHAIR MONTANO:**

One at a time, please; whoever wants to answer. Because she (referring to the court steno) needs to know who's answer.

**MR. O'REILLY:**

Okay, O'Reilly.

**CO-CHAIR MONTANO:**

Go ahead.

**MR. O'REILLY:**

We've taken some looks at this. And depending on what they mandated, if the Court comes down, it could increase the need in our staff by at least a third. Now, the ABA, American Bar Association, has certain standards. These people are looking probably to do the same. It would be about a one third increase in our staff across the board: Secretarial, investigators, space. It's very expensive. As a matter of fact, it would be about a third of our budget again.

**CO-CHAIR MONTANO:**

A third increase?

**MR. O'REILLY:**

Yes.

**CO-CHAIR MONTANO:**

Okay. But, again, just to be clear, you're not a party. You're just going to be a witness, but the lawsuit is brought on behalf of your clients or some of your former clients?

**MR. O'REILLY:**

Yes. Three of them. Three of our former clients.

**CO-CHAIR MONTANO:**

All right. But that's in Suffolk. I understand this a statewide lawsuit?

**MR. O'REILLY:**

Yes, it is, sir.

**CO-CHAIR MONTANO:**

Okay. All right. If you have those figures later, I'd like to, you know -- because it could have an impact on our budget. And they're two separate issues. One is the pay equity issue. And the other issue is the impact of this lawsuit, which I don't know if it's going to be resolved this year, you know, this coming year or not. I have no idea where it's at. Thank you.

**MR. O'REILLY:**

We all hope it's settled properly. By the way --

**CO-CHAIR MONTANO:**

But if it is settled, then it's going to be settled for a monetary amount which is going to impact our budget; am I correct?

**MR. O'REILLY:**

Well --

**CO-CHAIR MONTANO:**

I see Bob shaking his head. We could put that on the record.

**MR. O'REILLY:**

It's a Class Action. And I guess they'll be looking for damages.

**CO-CHAIR MONTANO:**

Yeah, I used to do that. I know -- I know what it is. Put it on the record.

**MR. O'REILLY:**

Yes. And if I could just be clear, the 2% that we added for salaries, completely cost-of-living across the board.

**CO-CHAIR MONTANO:**

Right. It has nothing to do with the -- it just keeps parity with the -- the inequality or the disparity -- it keeps parity with the disparity that you're under now; am I correct?

**MR. O'REILLY:**

That's right.

**CO-CHAIR MONTANO:**

Thank you.

**CO-CHAIR D'AMARO:**

Okay, Legislator Cilmi.

**LEG. CILMI:**

Yes, thanks, Mr. Chairman. I guess this is a question first to Budget Review. We don't have line item control over Legal Aid Society's budget; correct? So, if we wanted to increase funding to the agency, is there anything controlling how they spend that money?

**MS. VIZZINI:**

When we enter into an agreement with Legal Aid -- if -- let's say you were to do a resolution to provide \$200,000, you could in that resolution make a statement of intent in terms of what the money was to be used for and, you know, direct that that be reflected in the contract. And then the Comptroller wouldn't approve it unless the expenditure was consistent with what's in the contract.

**LEG. CILMI:**

Okay. The reason I ask is that it's my understanding based on conversations with not only Legal Aid Society but others that as they've represented here that the benefit to us to have additional cases go to Legal Aid as opposed to going to 18-B attorneys is significant. In other words, there's more than -- I don't know -- probably more than a three to one -- God bless you.

**MS. VIZZINI:**

Thank you.

**LEG. CILMI:**

And again. There's some significant difference between the number of cases that can be handled effectively by Legal Aid and the number that can be handled by 18-B, such that, you know, if you can -- I'm just pulling numbers out of the air here, but if you could handle, you know, ten cases effectively with \$100,000 through 18-B, you could probably handle 20 or 30 cases, or some multiple, with the same amount of money through Legal Aid. Is that correct? I don't know if you have a handle on what the numbers actually are. If you do, that would be great. If you can speak to that Legal Aid?

**MS. MULRY:**

Yes. Well, as I had said earlier, there has been a cost analysis that was done that shows that, you know -- you want me to go over those numbers again?

**LEG. CILMI:**

Sure, that'd be great.

**MS. MULRY:**

Okay. For an attorney at the Legal Aid Society to handle a case from, let's say, arraignment until there's a final resolution, it's approximately \$400 per case. And we know it because it's the number of our attorneys based on our contractual -- contracted for expense. Opposing that is 18-B. That's a question mark because that's done on a submitted voucher basis. So those -- the attorneys that are part of the Assigned Counsel Plan submit those vouchers on an hourly rate. And those numbers could go up into the thousands of dollars. And, in fact, I believe that Budget Review Office does have a good handle on this. And they did say that it is fiscally preferable for Legal Aid to handle these cases based on these numbers.

**LEG. CILMI:**

Right. It sounds like I can't really emphasize this enough, but it not only seems like it's fiscally preferable, it's really fiscally preferable. I mean, it seems -- it seems extraordinary how much more effectively, efficiently you all can handle those cases than 18-B. In addition to that, again, correct me if I'm wrong but when we -- when we approve a budget for Legal Aid Society, it is what it is, at least for the time period for which we approve it. But with 18-B, the more cases that go to 18-B -- we allot a certain budgetary amount for 18-B, but we could -- and, in fact, we do exceed that cost. And that has to be made up for in future years' budgets; correct?

**MS. MULRY:**

That is correct.

**LEG. CILMI:**

So would you concur with that Budget Review? So some --

**MR. PERNICE:**

(Shaking head in the affirmative)

**LEG. CILMI:**

So there is some benefit to the predictability, I think, of having Legal Aid Society represent these cases in addition to the reduced costs associated with having Legal Aid Society represent these cases. So, I've asked our Budget Review Office early on in the budget process to -- to draft a Budget Amending Resolution that would increase Legal Aid's budget by half a million dollars, by \$500,000, and reduce by some multiple of that the amount budgeted for 2013 to 18-B. I guess what I'd want to make sure, though, is that when we do that, we're not just taking that half a million dollars and spending it on, you know, reduction, let's say, of the frozen portion of your -- I want to make sure we're getting bang for the buck, in other words. Because if we're going to do that, I want to make sure that the prediction of a reduction in costs to 18-B actually comes to fruition.

And I know part of that is out of your control. Part of that is in the hands of the Judges who are assigning these cases. And that's something that we're going to work on. And I have plans to work on that with the County Executive's Office and with the Judiciary at this point. So that's something that we can address there. But, again, I want to make sure that we're not the taking money that we -- that we increase your budget by and sinking it into something that's not going to generate, you know, exponential savings for us. That's it. Thank you.

**CO-CHAIR D'AMARO:**

All right. Thank you, Legislator Cilmi. Thank you very much for your presentation. And we have the backup that you presented as well with you request.

**MR. O'REILLY:**

Thank you.

**CO-CHAIR D'AMARO:**

All right guys.

Next I'd like to call our Treasurer -- Suffolk County Treasurer is here this morning -- joined us this morning, Angie Carpenter. And let me express my apologies for not showing some deference in calling you up first. Welcome. And I guess you're here to talk about the 2013 budget.

**MS. CARPENTER:**

Yes. No need to apologize.

Yeah, I really will be very brief. I want to, I guess, begin by thanking the County Executive and the County Budget Office, because unlike prior years when we were the victims of slash and burn with our budget presentations, this certainly was done very respectfully. There was some cuts. And we're, you know, going to do our best to live with them: Equipment, supplies, the normal kind of things you would expect.

Budget Review did pick up on the fact that outside printing and postage were cut. And although it may seem like it's a discretionary item, you know, we're mandated to do certified mailings. And we've got the courtesy letters that go out to taxpayers and so forth and so on. And with the projected rising cost of postage, Budget Review is recommending that 17,000 be restored. So I leave that in your good hands.

I just also want to make note of the fact that Budget Review did highlight the fact that from September of '11 to now, we've experienced a 17% cut in our staffing levels. Nine positions were eliminated. And at some point in time I'm going to have to be coming back to you to at least get one position restored, created, however we're going to work that out. But I just, you know, know that things are really kind of tight right now. And perhaps after the beginning of the year, we can discuss that. But I just wanted to let you know --

**CO-CHAIR D'AMARO:**

Right.

**MS. CARPENTER:**

-- that's where I was headed.

**CO-CHAIR D'AMARO:**

So that position's not even in the budget? It's not a vacant or unfunded position?

**MS. CARPENTER:**

No.

**CO-CHAIR D'AMARO:**

What position was that?

**MS. CARPENTER:**

We had lost someone in the IT area. Actually we're scheduled to lose an additional four. But going back over the budget, we made all kinds of cuts, which shows there was a note about the amount of reduced spending, because we did that to be able to keep some of those positions.

**CO-CHAIR D'AMARO:**

Right. I appreciate your managing your budget so efficiently. It's very helpful, of course. Is there

anything else you'd like to add this morning?

**MS. CARPENTER:**

Nope, that's it. Thank you very much.

**CO-CHAIR D'AMARO:**

All right. Well, nice seeing you.

**MS. CARPENTER:**

Okay. Bye, bye.

**CO-CHAIR D'AMARO:**

Thank you. Next JoAnne Sanders. Miss Sanders, good morning. Just please state your name and your organization's name for the record.

**MS. SANDERS:**

Yes. My name is JoAnne Sanders. I'm the Executive Director of the Suffolk County Colation against Domestic Violence. I'm here today to talk about our contracts -- excuse me -- one in particular which we call our core contract. I have a handout and has the information about the contract.

This contract has been decreasing significantly over the past several years. This contract pays for substantial amount of our precinct advocates, hotline, counseling, education, several of our core programs. Our precinct advocacy in particular I'd like to talk about. Most people know about the program. We have advocacy in each of the precincts. Our advocates, they call on every domestic that comes into the Police Department -- every incident report, especially when it's partner abuse.

Our staff has been decreasing tremendously over the past few years because of these cuts. And then just two weeks ago -- we have two contracts: One's with the Department of Social Services; the other is with the Police Department. The Police Department managed in 2006 to secure money for us to hire seven additional precinct advocates so we'd have two advocates in each precinct every night of the week.

Well, unfortunately we just found out a little less than two weeks ago that that contract -- it's called SCOPE -- that the Federal -- the US Department of Justice is not going to renew that contract that has been in place since 2006. We can reapply for 2014, or the Police Department can and they will, but that leaves us with 2013 losing another additional five precinct advocates, because that's gone down over the years, too.

So, basically the program is destroyed. And with the loss of SCOPE, and with the loss of the contract money from DSS, we're going to be left with about four precinct advocates. We're hoping we're going to get at least four police advocates. So this is unbelievably critical at this time.

If you can possibly restore just some of the money that we lost, we'd at least be able to hire maybe one or two more advocates to have at least one at each precinct. And that's even a stretch, but -- and we know that there's problems everywhere. So we're not coming here saying "can you restore the SCOPE money?", which is 100% federal. We're asking that you restore some of the money we lost in the DSS contract, which is also 50% reimbursable.

So that's my plea today. We serve thousands and thousands of clients each year. The number of reported incidents has actually gone down. And we think it's because of the work of the Domestic Violence Agencies.

**CO-CHAIR D'AMARO:**

All right. Thank you very much. I want to start off by just thanking you and your organization for the work that you do in Suffolk County. It's vital and it's a priority speaking for myself and I'm sure for many of my colleagues.

**MS. SANDERS:**

Thank you.

**CO-CHAIR D'AMARO:**

You handed out a sheet of paper that shows the contract amount. Is that relating to the DSS contract?

**MS. SANDERS:**

Yes.

**CO-CHAIR D'AMARO:**

Okay. And that's showing a decrease from 2006 right on through 2013 in the Recommended Budget by the County Executive.

**MS. SANDERS:**

Correct.

**CO-CHAIR D'AMARO:**

From 2012 to 2013 is about a \$14,000 decrease. Is that where you see this?

**MS. SANDERS:**

No. We started out 2012 with the Adopted --

**CO-CHAIR D'AMARO:**

Oh, the Adopted, yeah.

**MS. SANDERS:**

-- was 643.

**CO-CHAIR D'AMARO:**

Right.

**MS. SANDERS:**

And then it decreased during the year, which was very -- the way we were told -- it was totally a rumor that we were going to get cut. And then we were told the rumor that was going around somebody's going to get cut in August. And it was around September when we actually were told, yes, you're going to get cut.

**CO-CHAIR D'AMARO:**

Right.

**MS. SANDERS:**

The Department called us in. And, you know, it was really very difficult for us going through three quarters of the year and being told you're cut again.

**CO-CHAIR D'AMARO:**

I understand.

**MS. SANDERS:**

So that costs us even more money, even the delay in the cut, you know.

**CO-CHAIR D'AMARO:**

What are you requesting as far as a restoration amount on the DSS contract?

**MS. SANDERS:**

We're only requesting as a minimum if we could please restore to our 2011 level.

**CO-CHAIR D'AMARO:**

Okay. And then the second contract, which is not reflected on this page, is the Police contract -- the Police contract, which you're taking a hit on because the Feds -- are they not renewing the program? Or we just simply didn't qualify?

**MS. SANDERS:**

Well, we've qualified since 2006. The problem is -- and I don't want to place blame here -- but according to the Feds, the Police didn't voucher them in a timely manner. And they said they had to voucher them 50% of the money after the first year. And they didn't. The Police said they didn't know anything about that. So because of this back and forth, they said the final determination was, "well, we're sorry, we're not going to accept your application for 2013." So it was just completely devastating. To us it's \$560,000 over two years.

**CO-CHAIR D'AMARO:**

Over two years.

**MS. SANDERS:**

Right.

**CO-CHAIR D'AMARO:**

What two years?

**MS. SANDERS:**

It would have been -- the renewable would have been for 2013 and 2014. Since 2006 it's been a two-year cycle, again, 100% Federal money.

**CO-CHAIR D'AMARO:**

So the County qualified for this Federal program since 2006. The program is being continued but we've been excluded from -- or our application's not being accepted for 2013 and 2014 due to a disagreement over how to administer the program from the County's perspective?

**MS. SANDERS:**

Not how to administer the program. They love the program. It is how the billing was done by the County. The Police Department, they contract with the Feds and the Police contract with us. And the way the County billed the Federal government, they didn't bill them 50% after the first year of the contract. It's a little confusing.

**CO-CHAIR D'AMARO:**

Okay.

**MS. SANDERS:**

And so because of that, they broke the rules so they wouldn't entertain the next round. So they didn't accept the next application.

**CO-CHAIR D'AMARO:**

But there was no claim that the program was not being properly administered?

**MS. SANDERS:**

No.

**CO-CHAIR D'AMARO:**

Or that there was some kind of -- something nefarious going on. It simply -- one set of rules as to how it was actually done. Ultimately the money got paid, the service was performed. There's no questions about that, right?

**MS. SANDERS:**

Yes.

**CO-CHAIR D'AMARO:**

So you're telling me that -- someone in the Federal bureaucracy has made a decision to de-fund the service that you perform in the Domestic Violence area because of basically accounting arguments?

**MS. SANDERS:**

Yeah. We'll they'll say refund, not de-fund. But, yes, correct.

**CO-CHAIR D'AMARO:**

Because I know rules are strict but they're also made to be broken in some instances.

**MS. SANDERS:**

Absolutely. And they said you can reapply for the next round, but that doesn't help us in 2013. I mean, we're trying to piece things together.

**CO-CHAIR D'AMARO:**

Who's dealing with the Federal Government on that issue? Or who was dealing with the Federal Government, do you know?

**MS. SANDERS:**

In the Police Department, her name was Sarah Furley. She's --

**CO-CHAIR D'AMARO:**

Okay.

**MS. SANDERS:**

-- the person in charge of the contracts.

**CO-CHAIR D'AMARO:**

Okay.

**MS. SANDERS:**

We're trying to piece some things together because we have some money that will be left over, maybe we can -- we're going to ask them if we can extend that into 2013 so that'll help somewhat. And then hopefully reapply. And then the next round that person may be won't be as upset with us. I say "we" meaning the County.

**CO-CHAIR D'AMARO:**

Did you deal with the Commissioner's Office on this at all?

**MS. SANDERS:**

Police Commissioner?

**CO-CHAIR D'AMARO:**

Yeah.

**MS. SANDERS:**

No. It's just happened, like within two weeks we found this out. But I do a -- I have scheduled to meet with the Commissioner, but the Feds are just adamant about this. There's no appeal process. I saw the e-mails going back and forth between the Department and the --

**CO-CHAIR D'AMARO:**

There's always an appeals process. The question is whether or not the Commissioner's Office wants to pursue it, I would assume. But, okay. I'm going to follow up on that myself.

**MS. SANDERS:**

Thank you.

**CO-CHAIR D'AMARO:**

Because it's very disheartening to hear that.

**MS. SANDERS:**

Extremely.

**CO-CHAIR D'AMARO:**

Yeah. Legislator Kennedy.

**LEG. KENNEDY:**

I'll just echo exactly what you said, Mr. Chair. There's got to be some ability to go a little bit further with this. So, do you actually have a rejection letter that you received or this is just something that you were advised by this representative in the Police Department?

**MS. SANDERS:**

All I have is -- I have the CC e-mails back and forth between the Department and the Office of Violence Against Women, OVW, stating that the application will not be accepted because of the reasons I mentioned.

**LEG. KENNEDY:**

Do you know are there any other agencies here in Suffolk County that participate in this grant? Or are you folks the sole recipient? I'm reading your note where I see, I guess, you're the subcontractor.

**MS. SANDERS:**

Right, we're the subcontractor.

**LEG. KENNEDY:**

So the County applies, you're the entity, the agency that actually implements, it's been going for the last six years. And now we have this, something internal to us that's affecting you. How many advocates do you actually have in the precincts through this program?

**MS. SANDERS:**

We have -- well, last time we came down we had two. We had originally seven advocates or victim's advocate. We had, you know, other staff that participated in that contract on different levels, some administrative staff as well. But it's really -- it's basically the -- it's more the precinct advocates.

But also on this contract that the police have with the Feds is other departments. The Police Department gets some money out of that, the Sheriff's Department, the Probation Department. And, for instance, the panic buttons that victims get in their homes, they get a decent amount of money out of this grant to provide panic buttons. So that's going to be cut off.

**LEG. KENNEDY:**

That's Detective Busweiler --

**MS. SANDERS:**

Yes.

**LEG. KENNEDY:**

John Busweiler, who does the panic stuff. And how about Byrns, do you work with her? She's right next door here in the Fourth. Is she -- she's got to be part of --

**MS. SANDERS:**

Oh, yes, absolutely. We work very directly with the Domestic Manager. We have an advocate -- I mentioned precinct's advocates. We also have what we call victim's advocates. She works directly with the unit, going out into homes when there is a violation of orders. And her department -- her unit also gets some overtime pay out of this grant. Because many times the Police can't go during daytime hours, maybe the victim's working or whatever so it's after hours. So they get a little -- it's not a lot but it's a little bit of overtime. It's a lot involved here. Not just the Coalition.

**LEG. KENNEDY:**

You mentioned it to Chairman D'Amaro, but can you say it again, who is the contact that you work with the Police Department?

**MS. SANDERS:**

Her name is Sarah Furley.

**LEG. KENNEDY:**

Furley?

**MS. SANDERS:**

She's the Contracts Unit. She's not a Police Officer.

**LEG. KENNEDY:**

Beyond this contract, you're asking for there to be restoration to your 2011 adopted level?

**MS. SANDERS:**

The 2011 and the actual, which was --

**LEG. KENNEDY:**

66,000?

**MS. SANDERS:**

68 -- what is it? Six eighty two eight ninety.

**LEG. KENNEDY:**

Okay. And --

**MS. SANDERS:**

And that would take care of the people we lost for the DSS contract, but it does not -- you know, the

SCOPE is a whole 'nother --

**LEG. KENNEDY:**

How does the DSS contract differ from the -- what we just spoke about, the Federal Victims Advocate contract? How do the two differ?

**MS. SANDERS:**

Well, the Federal one is strictly an advocacy piece. The contract with the Department of Social Services, that's where we started out with the Precinct Program. They fund advocates because -- we have -- we want to cover every night in the precincts. There's also counselors in there, education, all sorts of other services needed by victims other than the counseling -- the advocacy part.

**LEG. KENNEDY:**

Just approximately how many victims do you work with in a calendar year?

**MS. SANDERS:**

Last year we served 7,000 clients.

**LEG. KENNEDY:**

Okay. All right. And that would include maybe an adult and children or --

**MS. SANDERS:**

Correct.

**LEG. KENNEDY:**

Okay.

**MS. SANDERS:**

When we work with the families -- this is just the advocacy piece -- we're working with -- that family is counted as one client. But they may have four children. There may be four children there that we're also providing service to whether it's help getting an Order of Protection or whatever the case -- we don't even count that in those numbers. When I say children --

**LEG. KENNEDY:**

So, in fact, you may have more people that wind up benefitting from your agency's interaction than even that 7,000 count?

**MS. SANDERS:**

Absolutely, tens of thousands.

**LEG. KENNEDY:**

Okay. All right. Thank you very much. Thank you, Mr. Chair.

**CO-CHAIR D'AMARO:**

Legislator Cilmi, go ahead, please.

**LEG. CILMI:**

Thank you. Couple of things. With respect to the loss of funding from the federal government, it seems -- the County was successful recent, I think, in mitigating the loss of some funding that the state was looking to call back some funding from us. And I think through a collaborative effort between the County Executive's Office and this Legislature, I think we were able to mitigate some of that loss of funding. So, it seems to me that there should be some way that the County at the highest levels through the County Executive's Office and through the Presiding Officer and certainly

the rest us here in the Legislature, could intervene. And I wish -- I wish we had the opportunity to do that sooner, to try and recover some of that funding for you.

And I'm sure -- I don't want to go out too far out on a limb here, but I don't think I'm doing so by saying that I think you could probably count on all of us on the Legislature here to sign a letter to the Federal Government requesting that they restore that funding if there was, in fact, some misstep on the part of the County Police -- on the part of the Police Department in terms of the way they report or fill out applications or whatever. So, I'm sure the Chairman and the Presiding Officer will follow through on that.

With respect to the services that you provide, as you know, I have great respect for those services. And you truly do God's work. I wanted to ask you about the extent to which your agency relies on paid staff versus volunteer staff, if you could reflect on that for us.

**MS. SANDERS:**

Thank you very much. Any support you could give me -- you know, we're kind of like cut in the -- we're stuck in the middle because we're the subcontractor. So, I want to speak to the Police Commissioner, too, because I think -- they're the ones applying for this money so we all have to work together and -- to try -- if there's any possibility of getting it restored. And I thank you all.

As far as volunteers go, volunteers play an important part in our service, but it is limited because we're dealing with cases that, you know, do take a professional staff; I mean, as far as advocates go, for instance. A precinct advocate has to be -- has to go through a whole -- almost like an FBI background check before they can work in the Police Department. They have to be fully cleared of any kind of record. It's a very extensive training. The Police want to be comfortable because that person has access to the precinct.

But as far as the Courts go, we have some volunteers that come in, they really basically give the victim support, because the victim might be there all day. So our advocates are generally -- in the different courts, we have some volunteers that can help out just keeping that family feeling some support during that process. And we have volunteers that work in the shelter. We have volunteers that work on the hotline. We have volunteers that work on fundraising for us because that's a very important thing that we have to do.

**LEG. CILMI:**

So realistically speaking, is there -- is there anything that's presently being done by paid staff that might be able to be done by volunteers?

**MS. SANDERS:**

I wish there were. My staff is so bare bones now that --

**LEG. CILMI:**

How much staff do you have? Paid staff do you have?

**MS. SANDERS:**

Well, besides the professional staff providing direct service to the clients, our administrative staff is four people: Bookkeeper, fiscal manager, receptionist, myself and a secretary. You know, we are -- our administrative costs are 11%.

**LEG. CILMI:**

And what about -- how many direct staff that are providing those direct services do you have?

**MS. SANDERS:**

Presently we're about 34, I think. At the shelter, too -- we have a shelter so we have about 10 staff

members working at the shelter.

**LEG. CILMI:**

The last time I checked -- I don't suspect that it's changed, but the -- the percentage of calls that our Police Department responds to in the County that relate to domestic violence, I think, is the highest incident of calls that they get as a percentage of overall calls.

**MS. SANDERS:**

Yes.

**LEG. CILMI:**

That continues to be the case? I'm sure it's more so now given economic conditions.

**MS. SANDERS:**

Yeah. You know what's been interesting, the Police have seen a decrease in domestic violence calls, actually. I mean not much, a slight decrease. And I've been around for -- as most of you know, a really longtime. And what we've seen is many more victims coming in for services whether it's to get an Order of Protection or come in for the counseling for themselves or their children to help them gain their strength to leave the situation. So there's less -- there's many victims that don't have to rise to the level of calling the Police Department. That's the only justification I can see because we know it's still going on. Our phones are still ringing off the hooks. But there's less that need the police intervention, which hopefully is a good thing.

**LEG. CILMI:**

Lastly the service that you provide is not something that's duplicated in other agencies for the most part through the County; correct?

**MS. SANDERS:**

No. I mean we've heard that, you know, there's four domestic violence agencies in Suffolk County. And there's hundreds in mental health. And there probably should be. But it's a big County. And we are doing different things.

**CO-CHAIR D'AMARO:**

Legislator Cilmi, I'm going to ask if we can wrap up.

**LEG. CILMI:**

Sure.

**CO-CHAIR D'AMARO:**

We have a lot of people waiting.

**LEG. CILMI:**

Sure.

**CO-CHAIR D'AMARO:**

Okay.

**MS. SANDERS:**

I want to thank you very much. I appreciate any support you can give me.

**CO-CHAIR D'AMARO:**

Yeah. Miss Sanders, thank you. Your presentation was very clear. I'm very disappointed to hear about the loss of the Federal funding for the reasons that you cited. I'm going to look into that a little further.

**MS. SANDERS:**

Thank you.

**CO-CHAIR D'AMARO:**

And see if we can help you in any way with that. I don't know if we can, but we certainly will try. And we have your budget request. Thank you for coming this morning. Okay.

**MS. SANDERS:**

Thank you.

**CO-CHAIR D'AMARO:**

Okay. Next is Brian Lahiff. Yes, thank you, Child Care Council of Suffolk. Good morning. We're going to try and speed up these proceedings a little bit. So how much do you need? And let's go from there. (Laughter)

**MR. LAHIFF:**

Yes. I will go quickly. And I apologize. I realize I left my bullets for all of you at my desk, but I'll be back for the Health and Human Services this afternoon, so if I can drop that off and get it to all of you.

We're -- my name is Brian Lahiff. I'm the Assistant Director of the Child Care Council of Suffolk. Janet Wallerstein expresses her -- we'll, she's not able to be here today for personal reasons. So she apologizes for that and she asked me to come and speak on this.

We have three contracts with the County. We have had one of them since 1985. That was cut in this current year, the 2012 year's budget. It was zeroed out as well as a smaller contract that we've had for a few years. We also have one contract that is a pass-through with the New York State Office of Children and Family Services. What we're asking is those other two contracts have been restored with cuts from the 2011 year in this current 2013 proposed budget and we're asking for your support on those.

The one contract, it's called the Community Development Corporation Loan Program. It's an idea that they pulled together some funds to allow providers to get low interest loans to improve their capacity to build up their programs. We recognize that during this difficult economic time not a lot of providers are reaching out for that. They're just struggling to survive. It's something that we would like to see restored, but it is -- I want to say for our part as an agency, we recognize that that may not be possible. And so I'd like to put my -- the rest of my time into the contract, we think, is more important. That is the supportive services contract.

It is for \$120,590. And, again, it was cut out from last year. What it does is provides the Child Care Council of Suffolk the opportunity to staff someone at the Department of Labor when clients come through and get some sort of work requirement or some action that they have to take. It removes child care as an obstacle for them to complete that. What we do is we help the client complete any paperwork, offer them other supportive services that may assist them in being able to complete this so that they can move themselves onto self-sufficiency. It's a support. It's in the title of the contract. That is not just, okay, "well, you know, you have to show up on Monday at this place, figure it out." We're there to then hold their hand, get them through the process and find other services that may be available to them to make that transition better, get them off of public assistance. That helps the County's participation rate overall and allows --

**CO-CHAIR D'AMARO:**

That's a contract that would help clients to find child care support.

**MR. LAHIFF:**  
That's correct.

**CO-CHAIR D'AMARO:**  
Okay. And that's for one person --

**MR. LAHIFF:**  
That would be -- well, we see it --

**CO-CHAIR D'AMARO:**  
-- stationed at the Department of Labor?

**MR. LAHIFF:**  
That's correct, five day days week.

**CO-CHAIR D'AMARO:**  
And that contract is not being renewed, as the County Executive is recommending. That was 120,000, you said?

**MR. LAHIFF:**  
It was cut out for this current year.

**CO-CHAIR D'AMARO:**  
Right.

**MR. LAHIFF:**  
It's been put back in the 2013 Recommended Budget at 120 -- according to my sheet --

**CO-CHAIR D'AMARO:**  
Oh, so it's been restored by the County Executive in the 2013 budget. And you'd like to see it stay there?

**MR. LAHIFF:**  
That's correct.

**CO-CHAIR D'AMARO:**  
Okay. So that's the one contract. What was the other you wanted to speak to?

**MR. LAHIFF:**  
The other was the CDC Loan Program.

**CO-CHAIR D'AMARO:**  
Right. You reviewed that.

**MR. LAHIFF:**  
Yeah. And it's -- the third one is our Registration and Inspection Program. It is directly pass-through dollars. So, hopefully that will just be approved. We've had that contract since 2001.

**CO-CHAIR D'AMARO:**  
That's pass-through from the State?

**MR. LAHIFF:**  
No, it's the Office of Children and Family Services.

**CO-CHAIR D'AMARO:**

Okay. One hundred percent?

**MR. LAHIFF:**

Yes.

**CO-CHAIR D'AMARO:**

Anything else?

**CO-CHAIR MONTANO:**

Yeah, I had a question. Steve, you want to go?

**LEG. STERN:**

(Shaking head no)

**CO-CHAIR MONTANO:**

I was listening in the back there. This pass-through money, just explain this. Is this the funding that was recently cut by the State?

**MR. LAHIFF:**

No, no. This contract has maintained its level.

**CO-CHAIR MONTANO:**

It's level of funding from the State?

**MR. LAHIFF:**

That's correct.

**CO-CHAIR MONTANO:**

Okay. Talk to me about the contract or the monies that were cut from the State for -- -

**MR. LAHIFF:**

That's the subsidy dollars.

**CO-CHAIR MONTANO:**

Okay. Did you address that in -- I didn't hear you address that.

**MR. LAHIFF:**

No, that was -- well, that's not a contract issue for us. Today I'm here speaking about the agency for advocacy efforts, yes. And in fact --

**CO-CHAIR MONTANO:**

Well, that's what I mean.

**MR. LAHIFF:**

Yes.

**CO-CHAIR MONTANO:**

You don't administer that money?

**MR. LAHIFF:**

No.

**CO-CHAIR MONTANO:**

But you are an advocate for that program, are you not?

**MR. LAHIFF:**

That's correct.

**CO-CHAIR MONTANO:**

So speak to me about that program --

**MR. LAHIFF:**

Sure.

**CO-CHAIR MONTANO:**

-- and budget implications.

**MR. LAHIFF:**

Actually there's a very real budget implication this year. My understanding is that due to the allocation method, Suffolk County will probably again receive another cut in that subsidy dollars. Right now it's -- the County's receiving 29,700,000 000 for childcare. The real need --

**CO-CHAIR MONTANO:**

Is that with the cut or is that without the cut?

**MR. LAHIFF:**

That's the current year. And that was cut \$144,000 in the current year.

**CO-CHAIR MONTANO:**

From last year?

**MR. LAHIFF:**

Correct.

**CO-CHAIR MONTANO:**

All right. And what's the cut this year?

**MR. LAHIFF:**

Well, we haven't seen it yet. But if we're projecting correctly, according to their methodology, it could be another 500,000. Because they're looking at past claims the last five years. And the last good year that Suffolk County had for child care claims will be dropped off in this new formula so -- trying to figure out exactly how that works, it could be as much as \$500,000.

**CO-CHAIR MONTANO:**

All right. Maybe I'm wrong, but I thought the cut was much larger than that.

**MR. LAHIFF:**

It could be. And it depends, because we've been advocating for them to change the formula. We don't know how that's going to be applied. We've worked with the Governor's Office, we've worked with the Senate and the Assembly. We've tried to get that type of idea changed. Unfortunately I think the Commissioner Greg Blass at DSS has said over the last seven years they've changed the formula three times. So, it's been a moving target.

**CO-CHAIR MONTANO:**

In this County?

**MR. LAHIFF:**

For the State.

**CO-CHAIR MONTANO:**

Okay.

**MR. LAHIFF:**

So it's affected this County, yes.

**CO-CHAIR MONTANO:**

But my understanding was that it did not affect other Counties proportionately; that some counties were less impacted than we were. Am I correct in that?

**MR. LAHIFF:**

That's correct. And for some reason even though Suffolk County's need has increased, we've received cuts. Nassau County's need has decreased. They've received increases. And, again, trying to figure out the formula, when we've asked OCFS to come down and speak to the providers, speak to the parents, they said they don't have the time.

**CO-CHAIR MONTANO:**

So, what's -- this is a budget hearing. So what is the dollar amount that would be required to restore at least to the previous level of funding this particular program? And is there a resolution -- well, that's for Gail. Answer my question.

**MR. LAHIFF:**

Sure. Right now Suffolk County receives 29,700. The estimate is at -- 42 million would be required to bring us back to 200% of poverty as the eligibility level.

**CO-CHAIR MONTANO:**

So from 42 million to 27 million, that's the math?

**MR. LAHIFF:**

29. Yes, 29 million to 42. It's approximately 13 million, yes.

**CO-CHAIR MONTANO:**

So that's what, \$13 million?

**MR. LAHIFF:**

Yes. That's just to get us back to where we were January -- ah, December 31st.

**CO-CHAIR MONTANO:**

Yeah, I don't want to belabor the point, but that's what I'm talking about. The number that I'm looking at is the broader number, the \$13 million. But you're telling me that it's a cut of a hundred thousand plus 500 and that's only 600,000. How do you --

**MR. LAHIFF:**

We've been short of the need. And the Department has worked its best to try to accommodate and that's why --

**CO-CHAIR MONTANO:**

Okay. So what you're saying is that the level -- previous level was 200% of poverty and now we're down to 100% of poverty.

**MR. LAHIFF:**

One hundred percent of poverty and no new intake; meaning nobody gets in unless it's a mandatory, qualified situation: CPS case, special needs. Those are the only people in Suffolk County who are not supporting any low-income working family with these dollars.

**CO-CHAIR MONTANO:**

How are you going to get people back to work you if can't provide child care?

**MR. LAHIFF:**

We agree.

**CO-CHAIR MONTANO:**

Explain that to me.

**MR. LAHIFF:**

We absolutely agree. You cannot.

**CO-CHAIR MONTANO:**

All right. So the number of cuts is \$13 million just to restore where we were.

**MR. LAHIFF:**

That is not -- that is what our projection is to meet 200% of the need in Suffolk County.

**CO-CHAIR MONTANO:**

Where we were at one time.

**MR. LAHIFF:**

Right. And that's, of course, gone up. That was about five years ago. It was 36 million at that. We've been getting cut every year since then and slowly losing that population. This is the year that it finally came to a head. The big issue is that there are so many more families who receive mandatory childcare because they're on public assistance. That's the ironic part of all of this. If you fall back and are eligible for public assistance, you get child care automatically. That population has grown exponentially. It has cut out any of the dollars for the working poor while that's happened. So the dollars have gone down, but the population of the required mandatory class has gone up. And there's been no change in the formula on the State's side.

**CO-CHAIR MONTANO:**

And you don't anticipate one at this point?

**MR. LAHIFF:**

If anything we're anticipating another cut.

**CO-CHAIR MONTANO:**

Well, that's bad news. Thank you.

**MR. LAHIFF:**

Yeah. And if I can --

**CO-CHAIR MONTANO:**

Yes.

**MR. LAHIFF:**

The only -- the only side that really then speaks to you on the County side is that there is a requirement for the County to meet the 100% of poverty level. And right now the projection is that

the State funding -- the 29 million, which may be cut, will not meet that need.

**CO-CHAIR MONTANO:**

But isn't that a mandate?

**MR. LAHIFF:**

Yes. And so the County will be --

**CO-CHAIR MONTANO:**

So how do we not fund it if it's a mandate?

**MR. LAHIFF:**

The State is giving you -- is giving Suffolk County their share of what they feel is the dollars. The County will have to kick in the rest of it. And the projection, my understanding, is \$3 million to get to --

**CO-CHAIR MONTANO:**

So is that included -- Gail, is that included in the Budget? I'll take a yes or a no. I don't --

**LEG. CILMI:**

Did you just ask how can the State not fund it if it's a mandate?

**CO-CHAIR MONTANO:**

Yeah, didn't I just ask that? Right. Yeah, I'm glad you got that, Tom.

**CO-CHAIR D'AMARO:**

Just remember those words --

**MS. VIZZINI:**

Actually --

**CO-CHAIR MONTANO:**

What I'm saying is that if the projection -- the question I'm asking -- and I don't want to monopolize it -- the question is that if it's a mandate and we're obligated to expend the -- and the projection is that it's going to be a \$3 million deficit, is that addressed in the proposed Budget? Is that the correct question?

**MR. POLLERT:**

Yes.

**MR. LAHIFF:**

Yes.

**CO-CHAIR MONTANO:**

Yes, yes? Come on up.

**MR. POLLERT:**

I believe that's yes.

**CO-CHAIR MONTANO:**

Put your name on the record, Fred.

**MR. POLLERT:**

When the 2013 Operating Budget was recommended, we included an additional \$3 million so that the County's share actually increased anticipating the loss in State aid.

**CO-CHAIR MONTANO:**

All right. So, you're bringing us -- excuse me -- you're bringing us back to the 100% -- 100% of poverty level, but we're still short from -- we still dropped down from the 200% to the 100%. And that figure is represented in a \$13 million decrease; is that what we're saying?

**MR. POLLERT:**

And actually --

**CO-CHAIR MONTANO:**

I'll take a yes or no.

**MR. POLLERT:**

Well, it's probably more than the \$13 million -- you know, was discussed.

**CO-CHAIR MONTANO:**

I'll take a higher number. What is it?

**MR. POLLERT:**

Yeah, I would defer to the Commission of Social Services. He has it --

**CO-CHAIR MONTANO:**

Give me an estimate. You're the budget guy.

**MR. POLLERT:**

I would assume, probably, 15 to \$16 million is a ballpark.

**CO-CHAIR MONTANO:**

Okay. Thank you very much. We can talk about this later.

**MR. LAHIFF:**

Thank you for your time. We appreciate it.

**CO-CHAIR D'AMARO:**

Okay. Thank you.

**CO-CHAIR MONTANO:**

Wait, Steve had some questions.

**CO-CHAIR D'AMARO:**

Oh, yes, please. I apologize. Legislator Stern, please go ahead.

**LEG. STERN:**

Thank you. The advocate that was providing service -- referral service in the Department of Labor, who was there five days a week, is that a service that's currently being provided?

**MR. LAHIFF:**

No, that service is not provided right now. We were cut out of the Budget. So that service --

**LEG. STERN:**

Okay.

**MR. LAHIFF:**

-- ended on January 1st.

**LEG. STERN:**

All right. So there was a direct relationship between that budget cut and that service being provided. And if funded, we'll be able to come back starting when?

**MR. LAHIFF:**

January 1st.

**LEG. STERN:**

January 1st. Are there personnel that you have within the agency that able to provide that service come January 1st? Or is there someone that has to go through some type of a training for some period of time before being able to come in and provide that service?

**MR. LAHIFF:**

We have the staff on hand right now. We would have to juggle a little bit to get other -- we would have to bring in new staff to do this, yes. There were staff cuts due to this contract loss. So, we'd have to bring them back or train new staff.

**LEG. STERN:**

And if that service is not restored, if we choose not to fund it in the Budget, it's a service that hasn't been provided over this past year. What, if any, impact has there been that you've been able to quantify because of that?

**MR. LAHIFF:**

Well, we've seen the numbers of -- those who are reaching out for that service to find out about their childcare options has decreased. We're just coming up on the end of our fourth quarter. We're putting our numbers together. But we know that there has been a hit. Typically speaking we served around 1500 families -- 1500 parents a year with that service. As we've been getting the numbers back, we were averaging 10 to 13 -- 10 to 13 clients a day. We're now getting referrals about four or five a day. So it's been at least half that we've lost on that.

And the biggest concern is actually what is happening to those children as those parents take some sort of work assignment. Where are the children going? Because the concern is are they being left alone, are they being left in the care of a slightly older child? It becomes a situation that -- that questions what's happening. We have worked with a couple of other advocates to put surveys out to find out what they're doing, what options have parents used. We have not completed that yet, but we're hoping to have it done by the end of the year.

**LEG. STERN:**

And what impact, if any, has that had on some of the requirement that we're bound by in terms of percentages that we're supposed to be moving from welfare to work and finding childcare for those that are in the Program?

**MR. LAHIFF:**

That's the participation rate that is required. There's a lot of formula that goes into that, which allows the County to back off of, I believe, what is a 50% mandatory rate by moving families -- clients off of Public Assistance. They're able to kind of bank some percentage points and pull it back down but -- from what we understood. And we are looking into the information. We have a question in for what we spoke about, how many real families have been affected by the drop in Suffolk County's participation rate. They had been number one in the State, which was about 37% on their participation rate. My understanding is they're down to 34%, which is a real number. Now they're second in the State and the trend is going the wrong way. But, yes, that has shown that there has been a drop in the number of families getting off of Public Assistance. They may be staying on longer. And that has potential ramifications down the road, should the -- should the requirements change, which we have seen the State and Federal

Government do, as we heard with Joanne Sanders, suddenly out of nowhere, something that you weren't expecting gets changed and now you get left with a bill. This is a potential costly impact for that -- for a low-cost contract to help increase the participation rate versus potential penalties that may come down if we don't meet our requirements.

**LEG. STERN:**

So you believe, then, that there's a quantifiable relationship between the drop in that percentage over the past period of time and this particular service?

**MR. LAHIFF:**

Unfortunately I think there's been so many other variables with the economy in the last year or so that I would not be comfortable saying that it was just our contract and not being there. But we can show from our impact the number of families that we were affecting and giving assistance to has dropped dramatically. Along the same time, you know, the participation rate has been trending down. So I don't know that I can say that it's just our contract, but, yeah, we are a part of that.

**LEG. STERN:**

All right. Thank you.

**CO-CHAIR MONTANO:**

All right. I want to thank you. We'll talk further on that other issue.

And our next speaker is Pamela Johnston from VIBS. Hi, Pamela. Pamela, we're running late and we know what the issues are so I'm going to put you on the clock and -- give us, you know, give us the bottom line figures on what we're dealing with. You got to --

**MS. JOHNSTON:**

In 2012 this year VIBS lost \$104,531 from our contracts with Suffolk County. In the original 2012 budget our Department of Social Services grant was reduced by \$5,708 from the 2011 level and been reduced again effective July 1 even further. So that that midyear cut of 11,784 represents 10% of the County portion of that grant. And that provides counseling and advocacy to victims of domestic violence.

The County portion of our contract with Probation was reduced by \$28,350 in January 2012. And cut again July 1st by another \$7,336. Our Probation contract focusses primarily on services for victims of rape and sexual assault. And it includes VIBS' coordination of the Sexual Assault Nurse Examiner Program. In the County Executive's proposed budget for 2013, VIBS will lose another \$23,655 from Probation and DSS.

Our core rape crisis funding, which is the one that I'm the most concerned about, and I've spoken to many of you -- all of you actually -- from the County Health Department \$51,353 were cut in 2011. That was the entire contract we had for Rape Crisis Services. The agency has had that funding since the 1970's.

**CO-CHAIR MONTANO:**

Pamela, if I may, what I'd like to get at is the difference between what was appropriated in the Budget and what you feel your needs are; just -- can we do the math on that?

**MS. JOHNSTON:**

Sure. A total of \$104,531.

**CO-CHAIR MONTANO:**

Okay. And that -- that information was provided to members of the Operating Budget Committee; am I correct?

**MS. JOHNSTON:**

Yes.

**CO-CHAIR MONTANO:**

And to other Legislators myself included?

**MS. JOHNSTON:**

And I have a copy here that I can provide for you.

**CO-CHAIR MONTANO:**

All right. Well, we'll take that also.

**MS. JOHNSTON:**

Okay.

**CO-CHAIR MONTANO:**

Thanks Pamela. Is there anything else you want to add? Because we know the numbers. Will somebody from the Clerk's Office make a copy of that and distribute it to members of the Committee? We'll get it done for you. Massiel is coming over. Thank you, Pamela. We'll see you soon.

Next speaker is Dan Farrell from AME. Good morning, Dan. It's still morning, but I think by the time you leave that chair, it'll be afternoon. So just put your names on the record and then you can go ahead. I'm not going to put the timer on.

**MR. FARRELL:**

Okay. Thank you very much and good morning. I've provided a copy of a presentation I'm going to give today, but I have a full budget analysis that I will provide and be forthcoming to all -- each and every Legislator in the near future. But I'd just like to go over some of the highlights of my budget report.

The problem with high property taxes in both Nassau and Suffolk County are resulting in poor decision-making. The cap laws, outsourcing and holding the line on the General Fund Property Tax Warrant, it's not working. It's only creating more operational problems.

Based upon the sale of John J. Foley, a Nursing Home in Suffolk County that has provided a high quality of service, it's becoming obvious that the County Executive is more concerned with cost than quality services. Union members cannot be expected to accept a continued effort to privatize and outsource services. I'm sorry. There's no vision in the Budget regarding the role that Suffolk County Government plays in benefitting Suffolk County residents. The only vision outlined in the County Executive's narrative deals with operational de -- efficiencies. I'm sorry. Nothing on program effectiveness. How can we improve the lives of our citizens?

Our projections for the 2014 General Fund Operating estimate total appropriations is 2.1 billion and real property tax warrant of \$164 million. The 2013 Recommended Property Tax Warrant is 49 million. So in 2014 there will be an increase of 115 million or 235% increase.

I just don't understand why the General Fund Tax has not been raised in over the last ten years. It's time for you for recognize the structural imbalance and do the right thing by raising the property tax levy to its proper level.

The mandated budget is becoming a greater portion of the total general fund budget. In 2002, mandated expenses accounted for 32% of the General Fund expenses. In 2013 mandated expenses account for over 53% of the total expenses. Programs that benefit the taxpayers have increased

during this time mostly at the expense of the hardworking AME members.

The total General Fund expenses have increased from 1.5 billion in 2002 to 1.9 billion in 2013; an increase of over 29% without a corresponding increase in supporting property taxes. There has been a significant decrease in staffing levels, even though work orders increased as a result of a recent economic recession. There has been a shifting workload to outside contractors and increased burden on the County workforce to mitigate the lack of proper staffing.

Suffolk County needs a comprehensive long-term solution to the problem of property taxes in Suffolk County.

Include funds for a reasonable salary settlement. It is unreasonable for the County Executive to declare in the Budget Narrative that monies are not included for expired labor contracts.

Defer the \$70 million proceeds from the sale of the H. Lee Dennison Building and the 37 million bond proceeds from the CO's arbitration award over a four-year period. The use of these one-shots in one year makes no sense since there's nothing stated in the Budget now regarding the devastating fiscal impact in 2014 from the use of these one-shots, to which Gail from BRO reported in this Budget, amount to \$210 million of one-shots in the 2013 Budget. And I'm only cautioning you further on the 2014 Budget because I don't know what one-shots are coming up for the 2014 Budget, but \$210 million in the '13 Budget is -- it's just unconscionable. I don't know where you're coming up with that for 2014.

The County Executive missed an opportunity to rectify the poor fiscal management of the last four years. For the last four years the Legislative Budget Review Office has advised the Legislature of a structural imbalance between the rising expenses and recurring revenues needed to support those expenses. Rather than make modest increases in property taxes, as has been the case in the Sewer Districts, the decision was made to adopt the General Fund Operating Budgets with actual decreases in the warrant. Having recommended lay-offs during 2012, in his effort to avoid the \$500 million deficit that he inherited, the County Executive could have submitted a Budget to the Suffolk County Legislature with a substantial General Fund property tax increase. This courageous act would have set the finances at a reasonable level and it would avoid the type of situation currently being faced by Nassau County.

The 2% property tax levy cap implemented by the State should be modified to allow for long-term consolidation of services and taxing jurisdictions. All local cap laws should be abolished. They only impede long-term planning and are redundant. And just as a note of reference, the Islip Town Supervisor in his Budget is asking for over a 60% increase in property tax.

**CO-CHAIR MONTANO:**

Sixty-five.

**MR. FARRELL:**

Fifty-five? Yeah, it's over 60. 65%, correct. And as a resident of Islip, it amounts to me to over \$300 per year, to which, you know what? I will gladly pay that as long as my services and programs are not done away with or reduced. I'm happy to do that. But with the General Fund tax being 1% of the property tax bill and the average homeowner paying \$90 per year, if you double that, \$90 to a \$180, that's still less than the 65% asked for by the Islip Town Supervisor. So -- and as I said before, the 2% cap really handcuffs you and restricts you from raising any type of funding that you need for the Budget. And as I said earlier, for ten years the General Fund tax has not been increased.

In closing I'd just like to say that AME has always been willing to work with policymakers to resolve the Budget issues, but it requires a balanced budget approach. There is more than just property taxpayers involved. Thank you very much.

**CO-CHAIR MONTANO:**

Thank you.

**CO-CHAIR D'AMARO:**

All right, thank you, Mr. Farrell, for your statement. We appreciate it very much. You said you'll have a more more, full blown presentation for the members of the Legislature as well?

**MR. FARRELL:**

Yes, that will be forthcoming to each and every one of you.

**CO-CHAIR D'AMARO:**

All right, I look forward to seeing that as well. Thank you.

**CO-CHAIR MONTANO:**

Any questions?

**MR. FARRELL:**

Thank you for your time.

**MS. FLESHER:**

Could you just state on the record the people who are at the table with you?

**MR. FARRELL:**

There is Connie Lorenza, AME Treasurer; Ed Vogel, Budget Consultant; Michael Finland, AME Executive Vice President.

Thank you again for your time.

**CO-CHAIR MONTANO:**

Thanks, Dan. Does anyone else want to make a quick statement or you spoke for all?

**MR. FARRELL:**

Spoke for all.

**CO-CHAIR MONTANO:**

Sounds good. We'll talk to you.

**CO-CHAIR D'AMARO:**

Okay, the last card I have today is Tom Melito, Deputy County Executive. Tom, good morning and welcome. Thank you for your patience.

**MR. MELITO:**

Oh, of course. Thank you, guys, very much. As you know, my name is Tom Melito. I'm Deputy County Executive for Performance Management. Is this on? Can you guys hear me?

**CO-CHAIR MONTANO:**

Speak closer.

**MR. MELITO:**

Yes. And the County Executive has asked me to come here and make a presentation on three initiatives that are going to be affecting us for 2013. But I would offer, and I'll throw it to you, Legislator D'Amato, as Chairman of the Committee, based on the lateness of the hour and based also on the fact that we are going to be back tomorrow for Government Ops to make the same

presentation, that possibly we just cover today the Technology Federation, which I think is of prime interest to this group. And then we will be back tomorrow at 1:30 in front of Gov Ops to make the full presentation. I'm happy to make the full presentation now.

**CO-CHAIR MONTANO:**

No.

**MR. MELITO:**

(Laughter) Okay, so we can just run through the Technology Federation piece if that's okay right, and then anybody who's interested can see us tomorrow and we'll do the full presentation at 1:30.

**CO-CHAIR D'AMARO:**

Very efficient.

**MR. MELITO:**

Okay, wonderful.

So with me also and part of influencing that decision is I did bring a large number of people to answer specific questions. And over the hour -- hours we've actually lost many of them. So let me get started then.

So I have just a few slides. It should take a couple of minutes. I would respectfully request that I get through the slides and then we'll open to questions.

**CO-CHAIR D'AMARO:**

Tom, which presentation are you proposing for today? For now?

**MR. MELITO:**

Technology Federation.

**CO-CHAIR MONTANO:**

How long is it?

**CO-CHAIR D'AMARO:**

Technology Federation. Okay.

**MR. MELITO:**

Also we're going to speak about --

**CO-CHAIR D'AMARO:**

Are you going to present that tomorrow as well?

**MR. MELITO:**

Yes.

**CO-CHAIR D'AMARO:**

Maybe we should just --

**MR. MELITO:**

I'm happy to put it off 'til tomorrow if that's what you guys prefer.

**CO-CHAIR MONTANO:**

How long do you intend to be there at that podium?

**MR. MELITO:**

Right now?

**CO-CHAIR MONTANO:**

Yeah.

**MR. MELITO:**

Oh, if I did the full presentation?

**CO-CHAIR MONTANO:**

No, if you do the minimized version.

**MR. MELITO:**

Technology?

**CO-CHAIR D'AMARO:**

Yeah, all right. This is a joint Committee also with Information and Technology so this would be the appropriate forum.

**MR. MELITO:**

I would say probably 10, 15 -- 10, 12 minutes, something like that.

**CO-CHAIR D'AMARO:**

So, go ahead, yeah. Not that we're rushing you.

**MR. MELITO:**

I'll go as quickly as I can.

**CO-CHAIR D'AMARO:**

It's only because if it was redundant, what's the point?

**MR. MELITO:**

Yeah.

**CO-CHAIR D'AMARO:**

But this one belongs here.

**MR. MELITO:**

Okay.

**CO-CHAIR D'AMARO:**

So go ahead.

**MR. MELITO:**

All right. So, unfortunately I have to recap some of our initial issues. Performance Management obviously has been working with Suffolk County and we have some general tenets of how it is we want to operate. And we want to make Suffolk County Government more accessible and constituent friendly, as we all know, develop a program of evidence, base decision making with the core backbone of that being our Technology Program, provide -- oh, I can't move around? Okay -- provide organizational management and training platforms and institute LEAN principles and implement performance metrics. And all of these projects that we're going to discuss today, which actually just the one, will help us meet these goals.

So, in light of the significant staffing reductions and uncertain budgetary and revenue circumstances,

Performance Management has been tasked with shepherding several important initiatives. The following of slides will announce our goals and objectives for three of these, although today it's just going to be the one. And each of these projects will represent significant opportunities and challenges as we go forward.

So the first one -- the only one I'm going to speak about today is the creation of a federated information technology structure. And what we want to achieve with that is better direction, control, integration, technology overall into the management process. So what we have to do is take a look at the current state of technology. And as we all should know or we all do know that DOIT Central Technology is responsible for Suffolk County's technology infrastructure. It has evolved like that over the course of many years. And this infrastructure basically reaches through every department within Suffolk County and has evolved into a state of the art redundant system. It's a very good system.

Now, within that context DOIT has management oversight of only 29% of the technology budget dollars. And they all have supervisory control over less than one-third of County IT staff. Little opportunity for collaboration exists between agencies to develop technological synergies which ultimately results in lost opportunities. And some of these opportunities would arise in joint strategic planning, development of technology solutions, acquisition of tools and probably primarily, or even as most importantly, in opportunities for training. And this is evidenced in our analysis by duplicative software purchases, maintenance contracts and overall lack of coordination that we've identified.

And, you know, when we've gone through this analysis, we've identified 15 distinct operational silos scattered across Suffolk County. And this has led to isolated staff in some cases and limited skill set cross-fertilization, cross-pollination. And one example of this is the -- one example of this communication issue is the fact that Suffolk County has four distinct unrelated case management systems. And approximately \$4 million was allocated in total for those four systems. And if we had collaborated at least even on the functional specification analysis portion of the project development life cycle, it is possible and likely that many of the common elements could have been planned for and we could have allocated much less to accomplishing the goals of those four separate systems.

So, what is new paradigm? Under the new approach, strategic planning and development will be facilitated without negative financial impacts to any department. I want to emphasize that staff will remain in each of their departments, but they will simply have a new budget and reporting line to do it. DSS, Police Department, DOIT and elected officials will continue to remain as what we call enterprise clusters that serve distinct constituency. So that will all stay in place.

**CO-CHAIR MONTANO:**

Can you explain that?

**MR. MELITO:**

Which part?

**CO-CHAIR MONTANO:**

The one you just said. DSS, DP, DOIT and elected officials, explain what that means.

**MR. MELITO:**

Yes. Those Departments are large departments that have dedicated IT staff associated with them. And because they are very complex and very -- the knowledge gleaned over the years is very important in making them operate effectively. We are not -- they're not part of this Federation in a micro sense. They will be part of it in a macro but they're going to be left --

**CO-CHAIR MONTANO:**

Well, explain -- if I may, Mister -- we're both Chairmen here -- explain to me what you mean by -- all right, we're not affected in the micro sense. Explain to me how we're affected in the macro sense. What does that mean?

**MR. MELITO:**

The overall goal of this whole program -- I can really cut to the chase.

**CO-CHAIR MONTANO:**

Cut to the chase.

**MR. MELITO:**

Is simply better coordination and communication.

**CO-CHAIR MONTANO:**

Between whom?

**MR. MELITO:**

Between central IT and all of the other IT assets located throughout Suffolk County, which are significant.

**CO-CHAIR MONTANO:**

Right. But I'm only concerned about the elected officials component.

**MR. MELITO:**

The elected official component will see no change. They are remaining as a distinct organization.

**CO-CHAIR MONTANO:**

So you do not envision incorporating that into anything that you are doing to reorganize --

**MR. MELITO:**

No.

**CO-CHAIR MONTANO:**

-- or reconstitute your Department?

**MR. MELITO:**

No.

**CO-CHAIR MONTANO:**

Okay.

**MR. MELITO:**

No.

**CO-CHAIR MONTANO:**

I want to be very clear on that.

**MR. MELITO:**

Yes.

**CO-CHAIR MONTANO:**

Go ahead.

**MR. MELITO:**

Absolutely. So, what are the benefits of this federated approach? I'm just going to run through a few of these benefits and then we'll just open it up to questions and we can talk about it. Obviously it's going to create a better platform for collaboration. It's going to professionalize and standardize the evaluation and coordination of purchases, software development and planning. Again, communications are our goal. Better identification, coordination and definition of data for entry into the Countywide systems. This will become more and more important over the next couple years as we seek to integrate data-driven decision making into the management of everything we do in the County. So you want to have data that's standardized, clearly defined and locate-able so that we can use that for performance measurement purposes, common standards for data, expanded security capabilities and higher utilization of the Cloud for among other things, GIS.

Now, if you notice, each of these benefits relates to communications. And since I've been involved in public sector management since the late '80's, it's a common thread that goes through organizations. I've worked probably with most of the organizations on Long Island over the course of these years. And because government does so many different things, it's very easy for operational silos to develop. And while it's understandable, silos ultimately fragment an organization and make overall general management very difficult.

So a prime tenet for performance management and good management practice generally is to break down these communication silos. So that rather than have entities competing with each other for scarce resources, they are working together for the accomplishment of common goals by sharing resources. And that's exactly what it is we want to do with this technology confederation. It's not a matter of grabbing power or influence or overall -- overarching control of what happens. It's giving us the opportunity to better understand, manage and provide platforms for training. And that's basically what it is.

So those are the slides. I'm happy to answer questions.

**CO-CHAIR D'AMARO:**

Thank you, Mr. Melito. I appreciate it. So I have a thought about this. I've been -- I know this has been proposed and it's recommended. You've been working, of course, on this, I think, since you got here basically to the County.

We've been down this road before, at least I have, with most of the people here about standard -- of consolidating some of the functions into a Department of Information Technology. And it was rejected in the past. And I don't know if that was because we didn't have a full explanation or maybe we did and we just decided it's not the way to go. And the way I see it is, there's two competing interests. The interest of the efficiencies that you spoke to, whether it's security, having a standardized data base, purchasing all of these things, management, maintenance, contracts, there's a lot of reasons to have it all emanating from one department so one hand doesn't have to know what the other's doing because it's all in one hand. But it's that efficiency versus -- or against the -- meeting the specific needs of all of these various departments. It's very idiosyncratic when it comes to Probation and other areas.

**MR. MELITO:**

Absolutely.

**CO-CHAIR D'AMARO:**

And I think that -- you know, do you lose efficiency almost if you're not in a position in one of these departments to know exactly what the need is, not necessarily having to convince anyone else what the need is or having to explain it, but to just go ahead and do what's best for your department.

**MR. MELITO:**

Yeah, it's a great question.

**CO-CHAIR D'AMARO:**

And I see those as competing interests. So if you could speak to that --

**MR. MELITO:**

Absolutely.

**CO-CHAIR D'AMARO:**

-- and tell me how your plan would deal with those types of issues. We don't want to gain efficiency on one side but lose it on the other.

**MR. MELITO:**

Absolutely. And quite frankly, that's why we've gone with what we call the federated approach as opposed to a consolidation. We're not taking people from those departments and putting them into technology. They are going to stay where they are.

The main thing that changes is the sharing of information so that we can gain or more fully utilize the expertise that resides in Central IT and get that spread out to the user departments. There is no intent here whatsoever to take people out of those departments. They will still operate under the control of the Director as they have been in the past. There may be -- there will be more meetings over time with Central IT to help -- so they know what you're trying to do.

And, for example, in the Health Department, maybe trying to develop a system and, you know, they may be having an issue with it or whatever. They come to a meeting and they talk about it from a technology point of view and they find out that Central DOIT has done something like this two years ago and they have something set up that can help facilitate that. It's really more of a cross-pollination. And the other thing is to help identify skilled levels within the departments so that DOIT knows what training and what other things, tools they need to provide for the outer departments.

**CO-CHAIR D'AMARO:**

Let me ask you this: Why not have the Departments stay with their own budget line and still do the reporting?

**MR. MELITO:**

The main reason, quite frankly, is that by putting the budget line through DOIT, it creates a more formal entity or a more formal protocol, if you will, for communication, quite frankly. This way the head of DOIT is involved day-to-day, you know, in understanding what it is you guys are doing. So that's -- it's really that central tenet of more officially -- more officially linking the operation of Central DOIT out into there.

**CO-CHAIR D'AMARO:**

Well, it enhances the reporting requirement.

**MR. MELITO:**

Yes.

**CO-CHAIR D'AMARO:**

And the communications where, you know, one person's holding the purse strings as opposed to all the various departments.

**MR. MELITO:**

Absolutely.

**CO-CHAIR D'AMARO:**

Okay. Are there questions from the Committee members? Legislator Montano.

**CO-CHAIR MONTANO:**

Yeah, a couple of questions. Just let me preface it by saying, I hate to admit it, but I'm probably the least computer savvy person on this Legislature. And when you talk about silos and and cross-pollination and all that, you kind of lose me, although I know the concepts. What -- you know, and -- you know, you said earlier that this is not about control, this is about efficiency, but it does sound to me about, you know, who's controlling the purse strings when you -- when you realign that, but I'm not going to get into that.

What I want to get into is something that -- came to light a couple of years ago under the prior administration. And that had to do with a movement to sort of make IT more efficient. But what it had the effect of doing, at least in my office, was to exclude the flow of information from certain organizations and certain groups. They were no longer able to somehow -- or I was no longer able to get their e-mails for some reason or another. And I called up and they told me that this was a result -- you know, our people told me, and he's not here right not, that this was a result of some new efficiencies to weed out stuff.

And the point that I'm driving at is that I don't really care what you do within your department. That's your business. But when you somehow cross over into another branch and equal branch of government and, you know, that to me amounted to a former, you know, censoring information and access to constituents and data. And that's what I don't want to see. So on that generic level, explain to me how you're going to guarantee that the elected component of government is not in any way affected by anything that you plan to do to reorganize your own departments? That's where I'm coming from.

**MR. MELITO:**

Okay.

**CO-CHAIR MONTANO:**

You got that, Tom, right?

**MR. MELITO:**

Yeah, got it.

**CO-CHAIR MONTANO:**

Explain it to me.

**MR. MELITO:**

Great question. It's a a natural question, quite frankly. And let me start off by staying first it's our intention to do exactly the opposite; to be more transparent, to get more information available to everyone. And when I talked about data being more standardized, it was exactly so that anyone from the Legislature or anyone else has access to County data and then can -- understands what that data means and can use it.

Over the last -- well, I hate to say it, you know, 20 years or so, in projects that I've worked on with organizations, public organizations, it's always an issue, particularly with regard to elected officials. Because constituents call you, they have issues, they have questions. And you guys want to make sure you have access to the appropriate information. And by standardized --

**CO-CHAIR MONTANO:**

If I may interrupt?

**MR. MELITO:**

Yes.

**CO-CHAIR MONTANO:**

On top of that, I want to make sure that you are not in my computer system.

**MR. MELITO:**

I don't -- no, I'm not in your computer.

**CO-CHAIR MONTANO:**

Right. And I want to maintain that.

**MR. MELITO:**

Oh, absolutely.

**CO-CHAIR MONTANO:**

In other words, I want the independence --

**MR. MELITO:**

Oh, absolutely.

**CO-CHAIR MONTANO:**

That's what concerns me. Forget about the technical job --

**MR. MELITO:**

Yes.

**CO-CHAIR MONTANO:**

And silos and spaceships and all that. I just want to make sure that you're not in my business.

**MR. MELITO:**

Not whatsoever; whatsoever. Nope.

**CO-CHAIR D'AMARO:**

I think you gentlemen are talking about two slightly different things. Legislator Montano, I think, is talking about maintaining the independence and integrity of our own freestanding system that is not going to be brought into this program in any way, shape or form.

**MR. MELITO:**

No, that's not what we're talking about.

**CO-CHAIR D'AMARO:**

And what you're talking more about is if we go ahead and implement what you're talking about --

**MR. MELITO:**

Data-driven decision making.

**CO-CHAIR D'AMARO:**

-- we will have access -- more access to information which we do not have now.

**MR. MELITO:**

Absolutely. Correct.

**CO-CHAIR D'AMARO:**

Because you'll be centralizing it and standardizing it.

**MR. MELITO:**

Exactly.

**CO-CHAIR D'AMARO:**

And things like that. Okay.

**MR. MELITO:**

Absolutely.

**CO-CHAIR MONTANO:**

That's exactly it, by the way.

**MR. MELITO:**

Right.

**CO-CHAIR MONTANO:**

And I understand that, but I just want to be clear and put it on the record.

**MR. MELITO:**

Yes.

**CO-CHAIR MONTANO:**

Thank you.

**CO-CHAIR D'AMARO:**

All right. Anyone else? Yes, Legislator Calarco, please, go ahead.

**LEG. CALARCO:**

Hi, Tom.

**MR. MELITO:**

Yeah.

**LEG. CALARCO:**

Thank you for the presentation today.

**MR. MELITO:**

Sure.

**LEG. CALARCO:**

I just heard -- wanted to touch on something that I'm sure will come up in this afternoon's public hearings as well, and that's related to how Probation's going to be affected by this -- this merger federation plan. And I know in Budget Review's report they actually made mention to the issue partly because of the reimbursements that we are entitled to by having Probation Department Personnel perform in these functions. And -- have you given any consideration to that in terms of how we're going to avoid losing any kind of State funding that's coming in to help pay for those salaries?

**MR. MELITO:**

Yes, absolutely. We've actually given a lot of thought to it. And we've actually had meetings with department heads to explain the process and we've also brought in some of the more technology-oriented people to discuss it as well. It's already a system in place. What we're going to

do is provide electronic timekeeping capabilities in the system that already exists. And we've discussed it with New York State, we discussed it with the Budget Office and with Technology as well. So we will have available to everyone in -- and it's not just Probation; any department where there are reimbursements involved, an actual ability to keep track of everyone's time based on what project and activities that they are doing. It's already operating in the Health Department -- it's been operating in the Health Department for a while. It's very simple. And it's basically an electronic timekeeping metrics.

**LEG. CALARCO:**

So the personnel that are in Probation right now doing their -- I think they call it their automation system, those individuals are going to remain in Probation performing those exact same functions they're performing currently?

**MR. MELITO:**

Absolutely.

**LEG. CALARCO:**

But they're going to be required to fill out new additional time sheets in order to indicate that they're doing that work?

**MR. MELITO:**

Yes, for whatever work they're doing that needs to be reimbursed, yes. Which will take about a minute a week to do. It's very simple.

**LEG. CALARCO:**

Will those individuals in Probation be expected to perform their functions not related to Probation?

**MR. MELITO:**

No.

**LEG. CALARCO:**

Okay. And since I have you up there and I have had a couple back and forth with Mr. Rogers about the human resource system and our payroll system and I know that that's something you've been looking at upgrading and implementing, a new format so that partly we can do just that, is better track how our employees are using their time and where and what they're doing so we can better manage our employees and then have a better understanding of what's going on. I know right now we basically rely on a payroll system that doesn't -- it's kind of separated and each department does it their own way and everybody has their own method. And we really don't have a good way of controlling what it is that our employees are doing. Is that something that we're going to be moving forward with in the near future, some sort of -- implementing a new system either through the process of developing it in-house or trying find a consultant that can help us do that so that we can better manage our employees and better track where they're -- what they're doing so maybe we can take advantage of reimbursements and grants and things like that?

**MR. MELITO:**

Absolutely. It's definitely something that we're looking at but I'll defer to Don Rogers.

**COMMISSIONER ROGERS:**

Yes, of course.

Good morning. It's still morning. To answer your question, Legislator Calarco, we are looking into the payroll component. Part of it is based upon the document that I had sent to you. It is an extremely complicated process. And actually to -- to just backup a little bit, the procedure that we're putting into place to make sure that we can accurately record time for reimbursement levels,

is something that will give us significant insight into what we need from the standpoint of payroll going forward. There is no human resources system in the County. So this is clearly an issue that we do have. And it is clearly an issue that we do have to address. Whether or not we can address it in the immediate short term, I don't think we can. We have a number of other items that we have to address first. This is part of it.

**LEG. CALARCO:**

I bring it up because I think that this idea of moving to a federated approach, which I don't think is -- I think our previous administration had looked into something very similar and maybe never got it fully implemented the way you're looking to do now, but I think that this -- this approach, which has a lot of good merit to it, creates a lot of angst amongst other departments about how it's going to affect their ability to function, what they're doing. Because everybody does go off and do their own thing in a sense.

And I think that if you were able to take this human resources system and try to put some sort of play in there and put it into action, it would help you get the buy in from the departments that you're looking for. Because, quite honestly, if look to just put a federated IT approach out there and change everything over without buy in from your department heads and the management of your various departments, you're going to have a hard time making it work. And I think it's important to make sure you have a process there to get the buy in that you need from those individuals.

**COMMISSIONER ROGERS:**

I agree. And we have met with the department heads. And I will be meeting with every individual who was impacted by this. And I will be having that conversation. I'll answer any questions they have going forward.

**LEG. CALARCO:**

Thank you.

**COMMISSIONER ROGERS:**

You're welcome.

**MR. MELITO:**

And I'll just just jump in on that. I mean, we've actually spent several hours in those kinds of meetings already. And we've really gone to very deep levels of detail in those discussions. So, I know it does -- anything changing creates angst. It's really not changing much in the way people operate on a day-to-day basis. And based on the results that we've gotten so far in our meetings, which we will continue, I think people are becoming much more comfortable with it.

**CO-CHAIR D'AMARO:**

All right, Mr. Melito. Thank you very much. Again, thank you for your patience.

**MR. MELITO:**

I'll be back tomorrow afternoon if you guys want to hear about the other things.

**CO-CHAIR D'AMARO:**

Yes, we'll be here. Thank you.

Anyone else who would like to address the Committee this morning? Okay. There's no response. So, I'll make a motion to adjourn, second by my Co-Chair Legislator Montano. All in favor? Opposed? We are adjourned. Thank you everyone again for your patience this morning.

THE MEETING CONCLUDED AT 11:51 PM  
{ } DENOTES SPELLED PHONETICALLY