

STRICKEN AS OF 5/7/2013

Intro. Res. No. 2020-2012
Introduced by Legislator Cilmi

Laid on Table 11/7/2012

**RESOLUTION NO. -2013, ADOPTING LOCAL LAW
NO. -2013, A LOCAL LAW TO MAXIMIZE USE OF COUNTY
FUNDS PROVIDED TO CONTRACT AGENCIES**

WHEREAS, there was duly presented and introduced to this County Legislature at a meeting held on _____, 2012, a proposed local law entitled, "**A LOCAL LAW TO MAXIMIZE USE OF COUNTY FUNDS PROVIDED TO CONTRACT AGENCIES**"; now, therefore be it

RESOLVED, that said local law be enacted in form as follows:

LOCAL LAW NO. -2013, SUFFOLK COUNTY, NEW YORK

**A LOCAL LAW TO MAXIMIZE USE OF COUNTY FUNDS
PROVIDED TO CONTRACT AGENCIES**

BE IT ENACTED BY THE COUNTY LEGISLATURE OF THE COUNTY OF SUFFOLK, as follows:

Section 1. Legislative Intent.

This Legislature hereby finds and determines that the County of Suffolk is responsible for delivering basic services which meet the needs of our residents.

This Legislature also finds that the County contracts with private non-profit agencies to provide critical services to youth, veterans, seniors, persons with disabilities and other constituencies and to implement programs that protect the health and welfare of County residents.

This Legislature determines that the County of Suffolk enacted Local Law No. 13-2007, which established requirements and guidelines for contract agencies to ensure that the County receives the maximum return on the investment of its tax dollars.

This Legislature finds that Local Law No. 13-2007 capped allowable contract agency administrative expenses at 20% of total agency program expenses per fiscal year.

This Legislature determines that Local Law No. 13-2007 contains significant loopholes that permit contract agencies to incur excessive administrative costs and high salaries.

This Legislature finds that tightening the definition of allowable administrative expenses will ensure that non-profit organizations use more County funds for service delivery and less for administrative expenses.

This Legislature further determines that the cap on allowable administrative costs should be reduced from 20% to 15% to ensure that a greater share of the County's funding is used to provide services to County residents.

Therefore, the purpose of this law is to amend Chapter 189 of the SUFFOLK COUNTY CODE to reduce the amount of County funding that may be utilized by contract agencies for salaries and other administrative expenses.

Section 2. Amendments.

Chapter 189 of the SUFFOLK COUNTY CODE is hereby amended as follows:

Chapter 189. Purchasing and Contracts.

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Article VIII. Guidelines and Requirements for Contract Agencies.

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§189-40. Definitions.

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ADMINISTRATIVE EXPENSES

Expenses incurred in the general direction of an enterprise as a whole, as contrasted with expenses of a more specific programmatic function, consistent with Generally Accepted Accounting Principles. This term shall include salaries of top officers and associated general office expenses[, but shall not include the costs of administering a corps of volunteers; administering federal, state or other pass-through funds; disseminating educational materials for a public purpose; or administering the collection and distribution of food to the needy].

* * * *

§ 189-41. Requirements.

* * * *

- C. No contract agency, determined by the County Department of Audit and Control, [pursuant to § C4-35 of the Suffolk County Charter,] to have incurred total administrative expenses greater than [20%] 15% of reported total agency program expenses in a fiscal year, shall be eligible for funding by the County of Suffolk from any County funds, in any subsequent fiscal year, unless such funding is approved by a separate, standalone resolution [or procedural motion] of the Suffolk County Legislature. Such a resolution will require a two-thirds vote of the full membership of the Legislature for approval. In the event a contract agency reduces such administrative expenses to [20%] 15% or less of reported agency program expenditures, as determined by the Department of Audit and Control, then such contract agency shall become eligible again upon application in subsequent fiscal years, for funding by the County of Suffolk.

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Section 3. Applicability.

This law shall apply to actions occurring on or after the effective date of this law.

Section 4. Severability.

If any clause, sentence, paragraph, subdivision, section, or part of this law or the application thereof to any person, individual, corporation, firm, partnership, entity, or circumstance shall be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part of this law, or in its application to the person, individual, corporation, firm, partnership, entity, or circumstance directly involved in the controversy in which such order or judgment shall be rendered.

Section 5. SEQRA Determination.

This Legislature, being the State Environmental Quality Review Act (SEQRA) lead agency, hereby finds and determines that this law constitutes a Type II action pursuant to Section 617.5(c)(20), (21), and/or (27) of Title 6 of the NEW YORK CODE OF RULES AND REGULATIONS (6 NYCRR) and within the meaning of Section 8-0109(2) of the NEW YORK ENVIRONMENTAL CONSERVATION LAW as a promulgation of regulations, rules, policies, procedures, and legislative decisions in connection with continuing agency administration, management and information collection. The Suffolk County Council on Environmental Quality (CEQ) is hereby directed to circulate any appropriate SEQRA notices of determination of non-applicability or non-significance in accordance with this law.

Section 6. Effective Date.

This law shall take effect 120 days following its filing in the Office of the Secretary of State.

[] Brackets denote deletion of existing language
___ Underlining denotes addition of new language

DATED:

APPROVED BY:

County Executive of Suffolk County

Date: