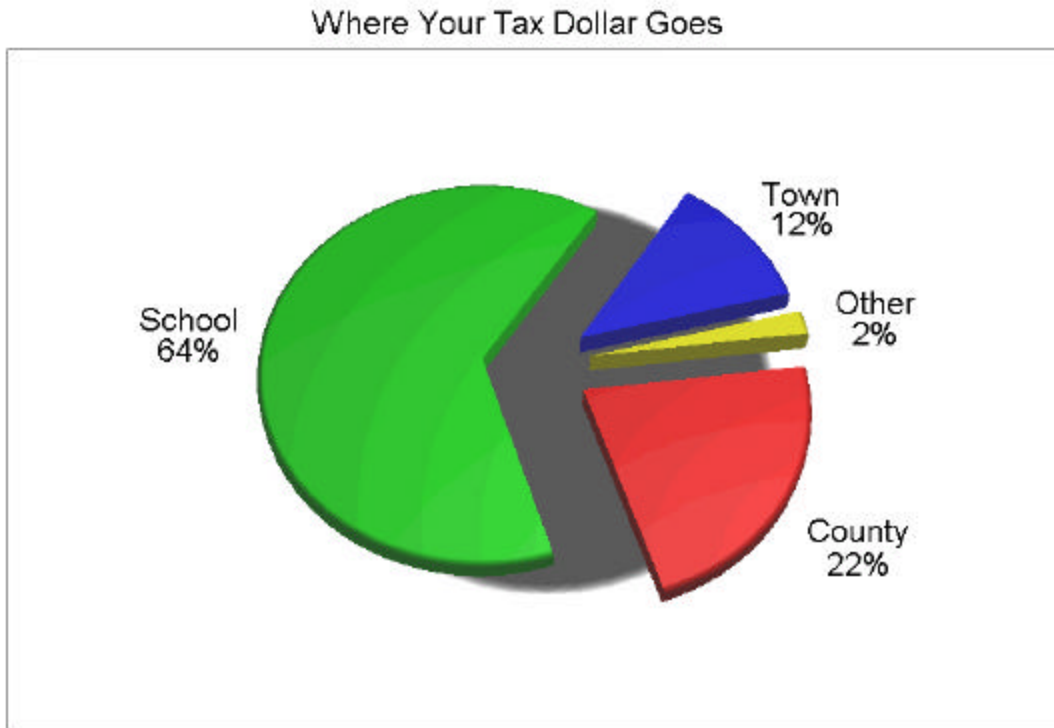


INTRODUCTION

Nassau County stands at an historic crossroad. The fiscal condition the County faces is daunting, yet it provides a challenge and opportunity for elected and non-elected officials to reinvent County government.

On March 26, 2000 the members of the Republican Caucus released their plan, “Fiscal Recovery Initiatives”, outlining their position with respect to addressing the fiscal problems facing the County. Several of the initiatives were eventually contained in the bipartisan plan approved by the County Legislature on June 23, 2000 and accepted by the Nassau Interim Financing Authority (NIFA).



This report continues to outline the Republican Caucus’s position as to cutting government spending and restoring fiscal stability.

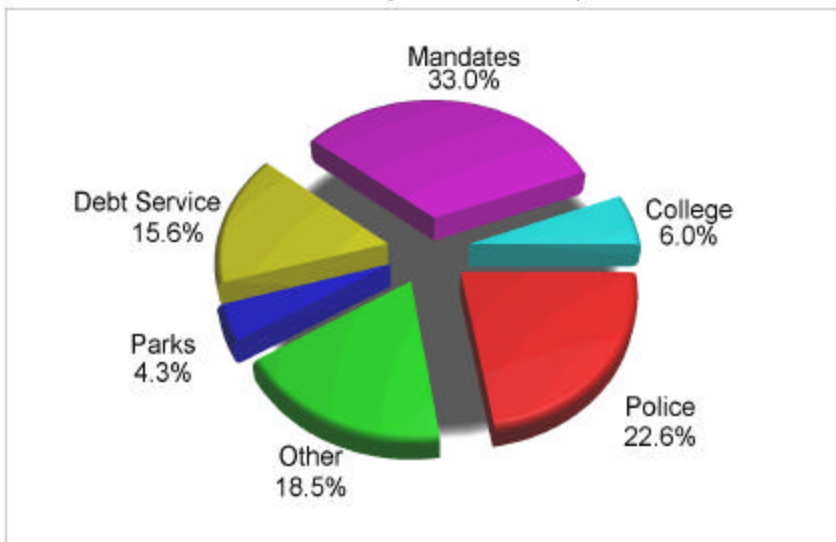
Many difficult choices have been and will continue to have to be made. The net result will be the long-term fiscal stability of the County’s finances, a more efficient and leaner County government, and the continuance of vital County services that protect our residents and add value to the communities in which we live.

It is clear in our examination of the facts, that Nassau County,

- Is in desperate need to reallocate personnel resources through either mergers and/or management efficiencies;
- Provides greater benefits to its employees than many private sector concerns and other local governments.

“...this report is written in the spirit of working to find a common ground from which a bipartisan plan can be achieved to move Nassau County forward.”

How Your County Tax Dollar is Spent



Source: Legislative Budget Review Office

This report addresses these and other areas that should be enacted and/or given further study prior to enactment.

While we cannot ignore history, for if we do we are condemned to repeat past mistakes, this report is written in the spirit of working to find a common ground from which a bipartisan plan can be achieved to move Nassau County forward.

I. CONSOLIDATION AND ELIMINATION OF DEPARTMENTS

Short and long term savings can be realized through the consolidation of Departments. Consolidations achieve the following:

- Reduce the number of management personnel
- Reduce the number of line personnel
- Achieve efficiencies of management through the pooling of resources

It is, therefore, the position of the Republican caucus that the following actions be taken over and above the County Executive's proposed budget:

1. Privatization of the Office of Cultural Development
2. Merge Minority Affairs, Affirmative Action, Women's Services and CASA
3. Eliminate the Commissioner of Accounts

1. Privatization of the Office of Cultural Development

The Office of Cultural Development has a budget of \$968,480 with 9 FTE, 2 PTE and 2 seasonal employees. The Office coordinates cultural programs and grants on behalf of the County of Nassau. It is proposed that an RFP be developed and issued so as to privatize the operation of the Office.

The Department's annual budget for FY2000 is allocated as follows:

Department	Salary and Fringe	OTPS	Total
OCD	\$624,560	\$343,920	\$968,480

Projected Savings

Year	Savings
2001	\$192,000
2002	\$192,000
2003	\$192,000
2004	\$192,000

2. Minority Affairs, Affirmative Action, Women's Services and CASA

Each of the offices provides similar services to the residents of the County. Each office assists to coordinate services, programs and referrals for members of the constituencies they serve. The merger of the four offices into a single Office of Minority Affairs would provide the public with one place to turn to for assistance, while saving tax dollars.

The function of each office is as follows:

The Office of Minority Affairs advocates for the rights and responds to the needs of all minority residents. The office was established pursuant to Section 2112 of the Nassau County Charter in January 1996. The office has 2 FTE and 4 PTE.

The Office of Affirmative Action currently ensures equal job opportunity. It was established by County Executive directive and approved by the Board of Supervisors in

1978. The office collects and compiles employment information for submission to the Federal Equal Opportunity Employment Report. The office maintains two community centers, one in Elmont, and the other in Glen Cove.

The Office of Women's Services assists women in acquiring knowledge and skills to become employed and self-sufficient. It was established by County Executive directive in 1983. The office has 2 FTE and 0 PTE.

CASA (Coordinating Agency for Spanish Americans) provides information and referrals to the Hispanic community. CASA was created in 1971 and is under the auspices of the County Executive. CASA has 6 FTE and 1 PTE.

Budgets for these offices for FY2000 are allocated as follows:

Office	Salary and Fringe	OTPS	Total
Minority Affairs	\$533,765	\$1,800	\$535,565
Affirmative Action	\$238,341	\$1,000	\$239,341
Women's Services	\$171,856	\$21,322	\$193,178
CASA	\$306,240	\$12,505	\$318,745

Projected Savings

Year	Savings
2001	\$340,000
2002	\$340,000
2003	\$340,000
2004	\$340,000

3. Elimination of the Commissioner of Accounts

The Commissioner of Accounts investigates, with subpoena power, and reports to the County Executive in matters relating to the County, Towns and Special Districts. In addition, the following programs fall under the auspices of the Commissioner's Office:

- Hardship Review Board
- Defense Council Screening Bureau
- Criminal Justice Coordinating Council
- Financial Disclosure

For FY2000 the Department has 18 FTE, 8 PTE and 2 seasonal employees. Its budget is allocated as follows:

Department	Salary and Fringe	OTPS	Total
Accounts	\$1,366,004	\$5,160	\$1,371,762

It is proposed for FY2001 the Commissioner of Accounts be eliminated. As this is a Charter change this can only be done by ballot at public referendum. The functions of the office would be assigned to the County Attorney's office.

Projected Savings

Year	Savings
2001	\$0
2002	\$198,000
2003	\$215,000
2004	\$245,000

II. WAGE FREEZE

A wage freeze is a key component to cutting costs and returning fiscal stability to the County. One percent in wages represents \$6.3 million in savings. As a wage freeze would not halt step increments for civil service employees, employees would still see growth in their incomes.

Projected Savings

Year	Savings
2001	\$19,358,549
2002	\$24,415,637
2003	\$41,631,125

2004	\$61,650,511
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III. FACILITY CLOSURES

Nassau County maintains a vast array of facilities, the bulk of which falls under the jurisdiction of the Department of Recreation and Parks. It is recommended that the Administration initiate a full review of its facilities and implement a plan of closures and/or reduced hours.

As an example, facilities such as the Sands Point Preserve or Old Bethpage Village can be placed on weekend only hours during the off-season to help cut costs and reduce the strain on staff resources. Savings for this recommendation are determined to be cost avoidance and are not easily calculated.

IV. MANAGEMENT EFFICIENCIES

It is the recommendation of the caucus that the Administration focus on efforts to increase management efficiencies through the consolidation of the grounds and fleet maintenance activities and other similar functions undertaken by the various Departments of the County.

It is clear that staff resources of individual Departments are in some instances severely strained. The pooling of resources, however, in like functions would help boost

those efforts of individual departments. One such effort is the proposal to merge the Department of Recreation and Parks with the Department of General Services. We recommend that the Administration take the appropriate steps to examine and then implement those efficiencies that can be achieved.

V. HOLIDAY ELIMINATIONS

Nassau County employees on average have more days off than their counterparts in other regional local governments and in comparison with the private sector. Nassau County employees receive 13 paid holidays in comparison with private sector employees who receive 9 paid holidays. A reduction in paid holidays by three days would save \$4.3 million annually.

Projected Savings

Initiative	Annual Savings
Reduced Time Off	\$4,300,000

VI. PRIVATIZATION OF SEWAGE FACILITIES

Nassau County provides for the disposal and treatment of sewage through a series of collection and disposal districts. It is recommended that an RFP be developed and the

opportunity for the privatization of such facilities be pursued. Annual savings can only be determined after bids have been received and compared to actual costs.

VII. MTA LONG ISLAND BUS SUBSIDY TO METROPOLITAN TRANSPORTATION AUTHORITY

Nassau County, by contract, provides a subsidy to MTA Long Island Bus. In addition, Nassau County provides capital funding for the agency.

MTA Long Island Bus is a subsidiary corporation of the Metropolitan Transportation Authority (MTA). The MTA controls the entire operation of LI Bus from procurement policy, route structure, hiring, labor contracts to fare structure, yet the MTA provides a limited subsidy to the operation. In addition, the MTA keeps all of the revenues generated by Long Island Bus, including fare revenue and advertising revenue.

Nassau County's subsidy in 1999 to Long Island Bus represented 25.9% of their operating budget. In comparison, New York City's operating subsidy to the Transit Authority was 3.6% of their operating budget. We reiterate our concern that the MTA must be more than just the logo on the side of the buses operated in Nassau County, but a full partner in the operation of LI Bus.

It is therefore recommended that the Administration immediately enter into negotiations with the MTA to renegotiate its contract for the operations of Long Island Bus. The MTA budget runs on a similar calendar cycle as the County's so now is the time to act. The MTA should take complete responsibility for the operating subsidy of

Long Island Bus. Nassau County in the interim could continue to provide a local match to the agencies capital program to ensure continuance of its progressive policy to purchase clean air buses and provide funding for ABLE Ride.

Projected Savings

Year	Savings
2001	\$14,000,000
2002	\$14,000,000
2003	\$14,000,000
2004	\$14,000,000

CONCLUSION

Substantial cuts in spending must and can be achieved. The majority of spending cuts can only be accomplished with cooperation and assistance of the public employee unions that represent the workforce. 44.5% of the County's budget pays for wages and fringe benefits. Without the cooperation of the public employee unions the stress on the County's fiscal condition will continue unabated.

The Republican caucus makes the following recommendations:

- Merge additional departments.
- Enter into immediate negotiations with all public employee unions to obtain a four-year wage freeze and reduction in the number of days off.
- Examine utilization of facilities and implement a plan of closures and/or limited hours.
- Immediately examine areas of management efficiencies with respect to pooling grounds and fleet maintenance activities.
- Develop and issue RFP for the privatization of sewage disposal and collection.
- Elimination of the County's subsidy to LI Bus.