

NEWS FROM Legislator

# Lou D'Amaro



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## **County Officials Address Existing Budget Shortfall Detail Mitigation Measures That Have Reduced Deficit by \$168 Million**

*(HAUPPAUGE, NY... August 20, 2012)* – Illustrating the County’s ongoing commitment to aggressively tackle an estimated \$400 million three year budget shortfall, the Suffolk County Legislature’s Office of Budget Review recently provided a detailed analysis of the existing deficit and the impact that previously adopted legislative measures have had in successfully reducing that deficit.

Specifically, the Budget Review Office (BRO), at the request of Legislator Lou D’Amaro (D-North Babylon), the Chairman of the Budget and Finance Committee, identified several measures that have reduced the deficit by a total of \$168 million since March of this year. As a result, the 2011-2013 shortfall now stands at approximately \$232 million.

“The Suffolk County Legislature, in cooperation with County Executive Steve Bellone, has been laser focused on reducing this deficit since the beginning of the year,” said Legislator D’Amaro. “The presentation by BRO shows that we are definitely seeing positive results.”

The deficit is constantly monitored by both BRO and the County Executive’s Budget Office. The total figure is actually a moving target based on a variety of assumptions, including continued growth in health insurance costs (estimated to increase by 8.5% annually), an increase in Social Services cases (i.e. individuals in need of food stamps, emergency housing or temporary assistance), reductions in State aid reimbursements (especially for health services), and increased mandated pension payments.

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At times, the two budget offices rely on different sets of assumptions, which explain why a variety of deficit figures have been announced over the past eight months. The County Executive's Blue Ribbon Budget Panel, for instance, pegged the initial three year deficit at \$530 million in March. BRO, however, estimated a lower \$400 million shortfall.

"As we continue to make a dent in the deficit, it will become more critical for the two budget offices to get on the same page in terms of the overall size of the shortfall," said D'Amaro. "This is especially important as we begin to craft the 2013 Operating Budget later this year. Pinpoint accuracy will be required to ensure decisions are made in the proper context."

During their presentation at the Budget and Finance Committee, BRO reviewed a host of measures responsible for reducing the deficit to \$232 million. They included, amortizing a portion of the State mandated retirement bill (\$60.7 million), savings resulting from labor negotiations (\$38.7 million), reduced expenditures following the layoff of 215 employees (\$32.8 million), and a reduction in costs associated with the County's jail medical program (\$5.5 million). Several other measures, such as the sale of the County owned John J. Foley Skilled Nursing Facility to a private operator (estimated to bring in \$29 million in revenue) and changes to the County's Employee Medical Health Plan (estimated to save \$17 million) are presently pending before the Legislature and could reduce the shortfall even further.

"The County is definitely not ignoring the state of its finances during this turbulent economic cycle," said D'Amaro. "The BRO report makes it abundantly clear that the Legislature is working together to make the tough decisions needed to right our fiscal ship. County residents have our commitment that we will continue to explore other policy initiatives that will help reduce the deficit and protect taxpayers. Judging by the results so far, I am confident we will be successful in this long-term endeavor."

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*Suffolk County Legislator Lou D'Amaro (D-North Babylon) represents the 17<sup>th</sup> Legislative District, which includes parts of Huntington Station, South Huntington, Huntington, West Hills, Melville, Dix Hills, Deer Park, North Babylon and West Babylon. He is Chairman of the Budget & Finance committee, Vice-Chairman of the Environment, Planning & Agriculture committee, and a member of the Human Services and Public Safety committees of the Suffolk County Legislature.*