



Starting from fish-shape Paumanok where I was born...

Walt Whitman

**STONY
BROOK**
STATE UNIVERSITY OF NEW YORK

Fall 2004/Spring 2005
Volume 17, Numbers 1-2

Published by the
Department of History and
The Center for Regional Policy Studies
Stony Brook University

Copyright 2005 by the *Long Island Historical Journal*

ISSN 0898-7084
All rights reserved

Articles appearing in this journal are abstracted and indexed in
Historical Abstracts and America: History and Life

**THE LONG ISLAND
HISTORICAL
JOURNAL**

Editor: Seth Forman, Stony Brook University

Assistant Editor: Ann M. Becker, Stony Brook University

Associate Editor: Richard P. Harmond, St. John's University

Book Review Editor: Marilyn Weigold, Pace University

Founding Editor: Roger Wunderlich

Editorial Board: Charles F. Howlett, Molloy College; Wilbur R. Miller, SBU; Joel T. Rosenthal, SBU; Eli Seifinan, Center for Excellence and Innovation in Education (CEIE), SBU; Christine McCormick, CEIE, SBU; Donald E. Simon, Monroe College; Gaynell Stone, Suffolk County Archaeological Society; John A. Strong, Long Island University (*Emeritus*), Southampton Campus; Natalie A. Naylor, Hofstra University (*Emerita*); Marilyn Weigold, Pace University; Ned C. Landsman, SBU; Ann Sandford, Regis College (ret.); Stacey Horstmann Gatti, Long Island University; Kristen Nyitray, SBU Special Collections; Floris Cash, SBU; Barbara Kelly, Hofstra University; R. L. Swanson, Marine Sciences Research Center, SBU.

Cover: First Long Island Rail Road train from Penn Station to arrive at Patchogue, September 8, 1910. Courtesy of the Queens Borough Public Library, Long Island Division, Howard Conklin Collection.

The editors gratefully acknowledge the support of the Office of the Provost and of the Dean of Social and Behavioral Science, Stony Brook University (SBU). We thank the Center for Excellence and Innovation in Education, SBU for their generous assistance. We appreciate the continuing support of the Stony Brook History Department, especially the work and support of Ms. Susan Grumet.

Publication would not have been possible without the generous support of the Gardiner Foundation and that of the Center for Regional Policy Studies at SBU. The editors thank Dr. Lee E. Koppelman, Executive Director, and Ms. Edy Jones, Ms. Jennifer Jones, and Ms. Melissa Jones, of the Center's staff.

The *Long Island Historical Journal* is published annually in the spring. The table of contents for all past issues are on the world wide web at <http://www.sunysb.edu/history/lihj/lihj.html>.

Special thanks to Dan Woulfin, who provides web site support for the journal.

Annual subscriptions are \$20.00, single copies \$20.00. Address articles, correspondence, books for review, and subscriptions to:

The Editor, LIHJ
Department of History
Stony Brook University
Stony Brook, New York 11794-4348
LIHJ@notes.cc.sunysb.edu

We publish original studies of any aspect of Long Island history. Submit manuscripts in duplicate on 8 ½" x 11" paper, double spaced with generous margins and on an IBM-compatible disk. We also accept e-mail submissions in either Word or WordPerfect format. Notes should be numbered consecutively, assembled at the end of the text and modeled on examples in the *Chicago Manual of Style*.

*Stony Brook University is an affirmative
action/ equal opportunity educator and employer.*

TABLE OF CONTENTS

LONG ISLAND'S 106TH RESCUE WING: THE HISTORY OF
AMERICA'S OLDEST NATIONAL GUARD UNIT
Charles F. Howlett — 1-15

THINKING GLOBALLY, ACTING LOCALLY: THE WOMEN OF THE
SETAUKET LIBRARY CLUB, 1896-1924
Stacey Horstmann Gatti — 16-40

THE LEGACY OF NEW DEAL ART ON LONG ISLAND
Natalie A. Naylor — 41-70

EXCERPT FROM *THE VINEYARD: THE PLEASURES AND PERILS OF
CREATING AN AMERICAN FAMILY WINERY*
Louisa Thomas Hargrave — 71-79

THE PROMOTION OF LONG ISLAND BY THE LONG
ISLAND RAIL ROAD, 1900-1930
Sean Kass — 80-100

HOW ADVANCED WERE LONG ISLAND'S NATIVE AMERICANS?
A CHALLENGE TO THE TRADITIONAL VIEW
Philip C. Weigand — 101-118

EARLY CHILD WELFARE IN NASSAU COUNTY
Ruth Shackelford — 119-150

LESSONS FROM LONG ISLAND: PUBLIC HEALTH SCIENCE AND
AGRICULTURAL TRADE
*Justin Kastner, Douglas Powell, Jason Ackelson, Terry Crowley,
and Karen Huff — 151-167*

OBSERVATIONS

THE STATE OF LONG ISLAND?
Lee E. Koppelman and Seth Forman — 168-184

LONG ISLAND PLACE NAMES

THE COUNTIES: KINGS, QUEENS, SUFFOLK, AND NASSAU
T. A. Milford — 185-188

Observations

THE STATE OF LONG ISLAND?

By Lee E. Koppelman and Seth Forman

Secessionist movements in local government have been around a long time. Typically motivated by some perceived injustice inflicted on a locale by a larger jurisdiction, few such movements have seen success in recent years. But Long Island is not a typical disgruntled American community. It is America's largest suburb located inside of a state whose legislature was called the nation's most "dysfunctional" by scholars at New York University Law School's Brennan Center for Justice in 2004.¹ While other New York State regions sometimes seek independent municipal status (e.g. Staten Island, Suffolk's East End) Lee Koppelman and Seth Forman make the case that secession for a region of Long Island's size and significance may mean nothing less than statehood.

The establishment of states is as old a practice as the nation itself. Thirteen original British colonies agreed to limit their independent sovereignty to form the United States of America. Over the following two centuries new states were added to the Union. Some were created by secession from existing states; e.g., Vermont from New York and West Virginia from Virginia. A majority of new states resulted from the division of Territories - Louisiana Purchase lands or the Northwest Territories, or purchase without subdivision, in the case of Alaska; and some by conquest - Texas and California.

Thus, the discussion of adding a fifty-first state - the State of Long Island - is in keeping with a time-honored tradition. Puerto Rico was the most recent candidate for statehood. Some activists have also suggested the conversion of the District of Columbia into either the 51st or 52nd state (depending on what actions would be taken on behalf of Puerto Rico). For a variety of reasons Puerto Ricans voted against statehood. Some were motivated by a desire for independence from the United States. The majority saw fiscal advantages in maintaining the status quo.

For years the business leaders of Long Island have whimsically played with the idea of statehood. After all, Long Island is part of the Empire State and shares a common history that precedes the founding of the nation, the Constitution, and the creation of thirty-seven other states since 1776.

Secession should never be taken lightly. But, Puerto Rico or D.C. a state before Long Island? Preposterous! If Long Island shouldn't be a state, why should they? And why are the gadflies the only ones who

would seriously consider it? After all, there would be no City of New York as we know it if a Victorian gadfly by the name of Lasswell Green didn't have the vision to see a Greater New York, and suggest that in place of five separate counties – each with limited potential – a metropolis be forged that would become preeminent among the cities of the world.

A more current gadfly who tried to promote statehood for Long Island was a Nassau County resident, Dr. Sterling, who used to be one of the few private citizens who ever attended the Nassau County hearings where department heads had to justify their proposed budget increases before the County Executive's budget committee.

The good doctor would demand that steps be taken to secede from the State and thereby generate a more favorable tax climate for Long Island. His mantra would be received by public employees with snickers or expressed annoyance, a powerful lobby for state largesse they had become. Besides, in the view of many, the Island had more pressing problems than chasing after the chimera of statehood: problems of affordable housing for senior citizens, moderate income workers, and the poor; transportation improvements; open space acquisitions; the provision of recreation opportunities; and the need for sound economic development. In short, the need to apply solutions for the problems and impacts created by the phenomenal growth of the previous three decades. Why squander the precious resource of time on what might be considered a frivolous exercise?

And yet, perhaps this is an idea whose time has come. After all, every public issue and need is either directly or indirectly tied to governmental form, hierarchy and structure. Perhaps there would be great benefits to statehood for the people of Long Island, such as more streamlined and direct government for the citizens at less cost. Certainly the efforts to enhance Long Island's identity would receive a national boost if it were the next star added to Old Glory. The anguished cries that this creature of the State of New York is too often treated as misbegotten would be summarily ended for all time. No more shortchanging from Albany! At the very least, Long Islanders may have a greater sense of this splendid isle by taking stock at this time.

Secession from New York State is not a new idea. On April 13, 1919, *The World Magazine*, in an article entitled "The Proposed New State of Liberty," cited a proposal advanced in the New York State Legislature. The plan called for the five boroughs (counties) of the City of New York, and the eight downstate counties of Westchester, Rockland, Putnam, Orange, Ulster, Sullivan, Nassau, and Suffolk to constitute the State of Liberty (See Maps 1 and 2). At that time this grouping of counties, with New York City as the core, would have had more

population and more wealth than any other state in the nation. The combined downstate population was approximately 6,474,000 - 62.3 percent of the population of New York State, and six percent of the nation's population. Nassau and Suffolk counties' population was only 236,366 at that time. (By 2003 the population of Long Island had grown to 2,807,500).

Several factors provided impetus for this early separation movement. One issue was the upstate vs. downstate set of conflicts - both partisan and economic. Aside from upstate Erie County, there was a conviction that the northern counties did not understand or support the needs of urban communities - the classic rural-urban conflict. Yet the major portion of tax support for the entire state was derived from the downstate counties.

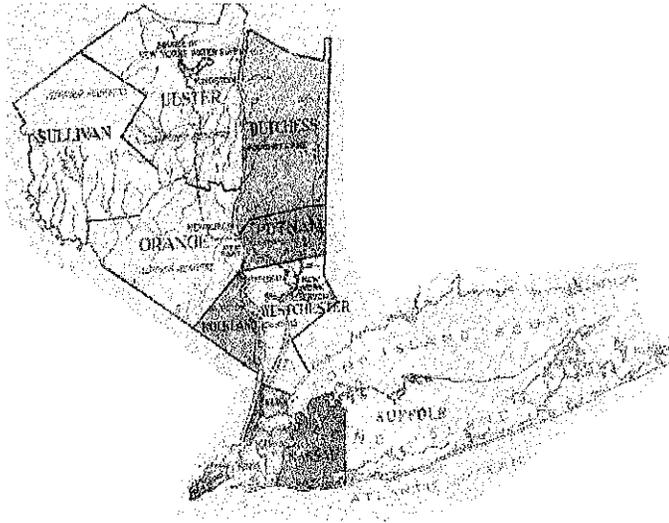
The *World* article made the point that by whatever criteria a state is to be measured, the proposed State of Liberty could be justified. From the remotest township in Suffolk, at the far eastern end of Long Island, to the northern boundary of Ulster, is more than two hundred miles. But every county in the proposed state, save Sullivan, may be reached by water routes as well as by rail. The inter-county commercial relations were by that time firmly established. New York City was roughly equidistant from the Long Island section and the Hudson section.

Just about everything that is necessary to a State's welfare may be found in the proposed new unit - commerce, agriculture, horticulture, lumbering, fisheries and shipping. New York Bay, the Kill van Kull, the East River, Long Island Sound, the ocean and the Hudson, with abundant harbors and docks, gave to the proposed State of Liberty a commercial advantage not enjoyed by any other State in the Union.

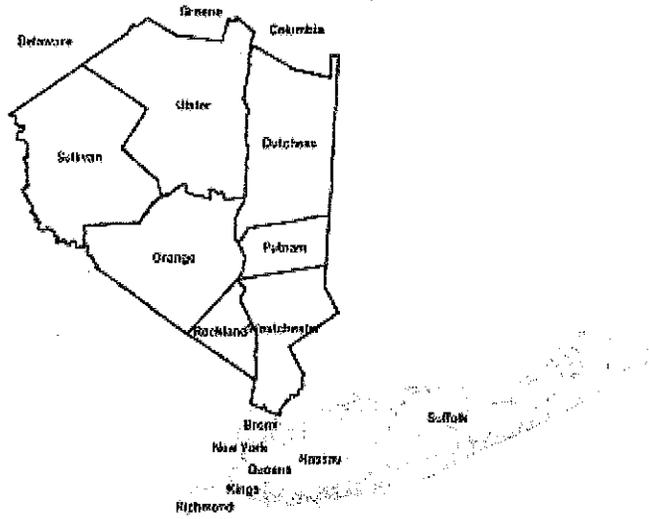
Constitutional Requirements for the Admission of New States

The Congress of the United States has the power to admit new states into the Union. There are only two limitations to this power. A new state cannot be created from within the jurisdiction of an existing state, nor can a new state be created by the combination of two or more existing states, unless the legislatures of the existing states grant their consent.² Other than this simple language there are no detailed standards or requirements. In the case of territories where only congressional action was required, the criteria applied was that the inhabitants of a proposed state are committed to the American form of government; have sufficient population and resources to support a state government; and must demonstrate by vote that a majority want statehood.

Map 1
Proposed State of Liberty - 1919



Map 2
Proposed State of Liberty Counties in 2005



The proposal for a State of Liberty never amounted to anything. But today Nassau and Suffolk Counties alone could abundantly meet the other criteria for congressional approval, if a favorable plebiscite were held. There exists ample population and resources to support a state government; and as citizens the commitment to American ideals is pro forma. The initial overriding consideration would be the support of the New York State Legislature to allow secession from the State.

Demographic Comparisons

As of July 1, 2003, the population of Nassau and Suffolk Counties together (with a population of 2,798,235 persons) exceeds the population of nineteen states of the nation. These nineteen states – with populations as low as 501,242 – have a combined total population of 26,662,055, or only nine percent of the population of the United States. They nevertheless control thirty-eight percent of the seats in the United States Senate. If the State of Long Island were created, the small states would amount to ten percent of the nation's population, and control forty percent of the Senate. Table 1 lists the population by states in ascending order.

In fact, Long Island has more population than Alaska, Wyoming, Vermont, and North Dakota combined. Yet, they can boast of eight Senators. Long Island can boast of none.

In comparison with the cities of America, Long Island would rank as the fourth largest, exceeded only by New York, Chicago and Los Angeles. Long Island is more populous than Philadelphia and Dallas combined; or Houston and Dallas; or San Diego, Baltimore and San Antonio. Of course, this is merely to place our demographic importance in perspective. The last thing any true Long Islander would ever seek, of course, would be city status.

Organizational State Scenarios

Currently Nassau and Suffolk Counties are part of a three tier governmental structure: state, county, and municipal. Many functions are overlapping. Police departments serving Long Island include state, county, and town. Parks and environmental control departments, courts, and highway departments exist at every level. Water supply functions exist at county (Suffolk County Water Authority), municipal and district levels. Each county has separate departments for every county function. Legislative bodies exist at all levels of government. In short, Long Island can be said to be over-governed. The creation of the State of Long Island is an opportunity to examine alternative models that may be more responsive, less duplicative, more efficient, and less costly.

Table 1
Smallest U.S. States by Population in 2003

Geographic Area	Population Estimate
Wyoming	501,242
Vermont	619,107
North Dakota	633,837
Alaska	648,818
South Dakota	764,309
Delaware	817,491
Montana	917,621
Rhode Island	1,076,164
Hawaii	1,257,608
New Hampshire	1,287,687
Maine	1,305,728
Nassau County	1,339,463
Idaho	1,366,332
Suffolk County	1,468,037
Nebraska	1,739,291
West Virginia	1,810,354
New Mexico	1,874,614
Nevada	2,241,154
Utah	2,351,467
Kansas	2,723,507
Arkansas	2,725,714
Nassau-Suffolk	2,798,235

Source: Long Island Regional Planning Board; U.S. Census Bureau

A Two Tier Approach

One model would consist of the State of Long Island and the municipal governments – thirteen towns, ninety-five villages, and two cities. The two counties would be abolished; in effect, becoming the state. This model is analogous to Connecticut, which abolished the counties in the 1960s. The municipal governments would be maintained in their current boundaries, governmental structure, and general powers with very limited changes in function. Thus, the creation of the State of Long Island would not disrupt the strong local home rule philosophy that typifies the three century history of local communities. In fact, there would be a strengthening of local government in that the municipalities would no longer be subject to both county and state domination.

The executive branch would have one governor in place of two county executives. Within the executive branch there would be one department of health, one police department, one park department, one

education department, one transportation department, one state university system, and so on. This simplification would be more cost effective administratively and fiscally. At the least, the seesaw competition between the unions in both counties would disappear. Administratively, each county now duplicates facilities and programs, like police academy training, which could be handled with one academy. Statehood could improve governmental efficiency.

The extent of functional consolidation, however, must meet political objectives. For example, Nassau County has a unified countywide police department. Suffolk's police department has a role limited to the western five towns. A state police department could be achieved by the combination of the two existing departments, with the local east end towns maintaining their police departments. The alternative would be the creation of one island-wide state police. Consideration could also be given to the abolishment of the Sheriff's office. In its place, a Long Island Department of Corrections could supplant the Sheriff's functions and include jail operations and probation. This move alone could eliminate the longstanding feud between New York State and Suffolk County over the best method of dealing with jail overcrowding.

In most cases, a State of Long Island would provide the majority of police services and programs that they now deliver; without duplication and without mandates imposed from above, absent of financial support to accompany the mandates. Primary, secondary, and higher education would also become stronger. The current competitions that local school districts suffer from in terms of state support would be eliminated. A single Attorney General's office would supplant the two County Attorney's Offices; and the two Treasurers and two Comptrollers could be consolidated under one State Comptroller.

Although there are few responsibilities that the counties do not now exercise, there would be some existing responsibilities that the new state would have to provide. The new Long Island State Education Department would have to create a State Licensing Board for such professions as architecture, engineering, medicine, dentistry, landscape architecture, and others. In addition, a Public Service Commission would be necessary.

The legislative branch could take several forms ranging from a single body to a bicameral one. If it were to be a single body, the composition could be made up of the existing Long Island delegation in Albany, including twenty-one Assembly and nine Senate members. An alternative would be the combination of the nineteen Nassau and eighteen Suffolk County Legislators into a thirty-seven member state legislature. A third scenario could be any combination of the existing state and county legislators. Obviously, the smaller the size of the legislative body, the lower the cost. A converse argument in favor of a larger body is that the

greater number of legislators would mean smaller election districts, which could provide better representation and the fostering of a larger pool of experienced public officials.

The existing thirty-seven members of the Nassau and Suffolk Legislatures could be abolished. If the judgment is to have a bicameral legislature, then the combined Assembly and Senate members could comprise the upper house; and the existing county legislative bodies could comprise the Assembly or lower house. The exact number of seats could be less than currently exist. There would also be a need for only one legislative budget review office to balance the Governor's budget office.

It is worth mentioning that the history of budget preparation and adoption in the two counties has generally been prompt in contrast with the experience of New York State over the decades. The conflicts between upstate and downstate over school aid amounts, transportation spending, state police coverage, and the specific battles between New York City and New York State (e.g. like the one involving the repeal of the commuter tax in 2000) would no longer affect the State of Long Island.

The judicial branch would require the least alterations. The existing structure of District, Supreme, Criminal Courts, Family, and Claims Courts could remain. An Appellate Court and Court of Appeals would have to be created. The presence of existing Federal Courts could be expanded as necessary for a totally independent Long Island District.

Fiscal Status and Considerations

One of the unofficially stated criteria used by Congress to validate the creation of a new state is that states have the resources to support its existence. Fortunately, Nassau and Suffolk Counties are today, and have been for decades, two of the wealthiest counties in the United States in terms of median family and family disposable income. It should be noted that Nassau ranked sixth and Suffolk ranked twelfth out of more than 3,100 counties in the United States in terms of median household income (see Table 2). Furthermore, the gross county product is roughly \$120 billion (2003), and eighty-six percent of Suffolk's resident labor force is employed on Long Island (Nassau has sixty-seven percent employed on Long Island). When the equation includes the reverse commutation of workers mainly from New York City, it is evident that Long Island is a diverse, self-sustaining economic area. Long Island consistently posts unemployment rates lower than the nation as a whole, as well as New

Table 2
United States Counties Ranked by Median Household Income
2003

Rank	County	Income (\$)
1	Somerset County, NJ	89,289
2	Howard County, MD	88,555
3	Prince William County, VA	82,926
4	Morris County, NJ	82,025
5	Fairfax County, VA	80,753
6	Nassau County, NY	80,647
7	Santa Clara County, CA	76,544
8	Montgomery County, MD	76,439
9	Rockland County, NY	72,276
10	Collin County, TX	71,458
11	McHenry County, IL	70,956
12	Suffolk County, NY	70,281
13	Fairfield County, CT	70,083
14	Fort Bend County, TX	69,848
15	Contra Costa County, CA	69,835
16	Lake County, IL	69,670
17	San Mateo County, CA	69,219
18	Ann Arundel County, MD	68,938
19	Monmouth County, NJ	67,761
20	Norfolk County, MA	67,689

Source: Long Island Regional Planning Board; U.S. Census Bureau

York City and New York State.³ Perhaps an even more telling indicator is the net wealth that New York State and the federal government receives annually – as of the year 2000 – topping \$27 billion.⁴

As the following table indicates, tax revenue that New York State raises from Nassau and Suffolk Counties is greater than the amount the state spends on Long Island. In fact, Long Island currently pays roughly \$2.9 billion more in taxes to New York State than the state gives back in either aid or benefits annually, something which augur's well for the fiscal benefits of statehood for Long Island.

New York State Taxes Paid to State From Long Island

Personal Income Tax liability in Table 3 is calculated using annual figures from the New York State Department of Taxation and Finance. The data used is from 2001 adjusted to 2004 using the New York Metropolitan Region consumer price index.⁵

The state receives four percent of gross retail sales in each county.

The numbers for the state share are based on 2004 estimates from the Suffolk County Treasurer John Cochrane and Nassau County Deputy Treasurer John Marcari.⁶ Nassau and Suffolk counties also pay an additional .25 percent of gross retail sales to the Metropolitan Commuter Transportation District.

Revenue paid to the state for Net Motor Vehicle Fees (which include registration, drivers license, and other fees), Cigarette and Tobacco Taxes, Motor Fuel Tax, Alcoholic Beverage Control License Fees, and Alcoholic Beverage Taxes are allocated to Nassau and Suffolk counties in direct proportion to the percentage of the total state population these counties account for. For 2003 New York State total population was 19,190,115. Nassau's population for 2003 was 1,339,463, or 7 percent of state population. Suffolk County's population in 2003 was 1,468,037, or 7.7 percent of state population.⁷

The Mortgage Recording Tax is the total tax collected from the county minus the amount distributed to county treasurers. Revenue from Thoroughbred and Harness Racing is estimated from total state revenue from New York Betting in 2002. The category "New York Betting" includes fees, rents, and other items in addition to betting. Based on data from years 2000-2002 Nassau accounted for thirteen percent of total thoroughbred and harness racing in New York State, while Suffolk accounted for ten percent.⁸

Business taxes are based on the report *The Fiscal Imbalance Among New York State Regions* produced by the Center for Governmental Research of Rochester, New York.⁹ This report estimated that the Nassau-Suffolk region paid roughly 26.1 percent of all business taxes levied by New York State between 1991 and 1996. Accordingly, the present analysis allocates the same proportion of business taxes to the Long Island region, 12.5 percent for Nassau County and 13.6 percent for Suffolk County. (This revenue analysis does not include state Auto Rental Tax, Hotel/Motel Tax, Beverage Container Tax, and Petroleum Business Taxes.)

New York State Spending on Long Island

Direct Payments - Table 4 summarizes state funds that Long Island receives annually. State spending programs on Long Island include direct payments to local governments; Tuition Assistance Payments (TAP); several highway programs; lottery support for education; the Metropolitan Transportation Authority (MTA); Medicaid; state pensions and several other spending categories. Revenue data used in this analysis reflect studies of the Center for Regional Policy Studies at Stony Brook

Table 3
New York State Taxes and Revenues Paid to State From Long Island
And Balance of Payment Gap
(Estimate for years spanning 2002-2004)

<u>Source</u>	<u>Nassau (\$)</u>	<u>Suffolk (\$)</u>	<u>Total (\$)</u>
PIT 2004 Estimate	2,589,618,329	1,913,796,197	4,503,414,526
Sales Tax 2004 Estimate	884,705,882	944,941,176	1,829,647,059
Metro. Comm. Trans.			
Dist. 2004	55,294,118	59,058,824	114,352,941
Estate Tax 02-03	99,838,682	36,334,815	136,173,497
Real Estate Transfer			
2002-2003	43,081,900	55,841,019	98,922,919
Net Motor Vehicle			
Fees 02-03	53,828,008	59,210,808	113,038,816
Cigarette and Tobacco			
Taxes 02-03	75,531,005	83,084,105	158,615,110
Motor Fuel Tax 02-03	38,064,654	41,871,119	79,935,772
Mortgage Recording Tax	71,453,369	94,325,166	165,778,535
Alcoholic Beverage Tax			
02-04	12,582,850	13,841,135	26,423,985
Alcoholic Beverage			
Control License			
Fees 02-03	2,935,870	3,229,457	6,165,327
Revenues From			
Racing 02	5,455,479	4,196,522	9,652,002
Corporation Franchise			
Tax 02-03	175,906,375	191,386,136	367,292,511
Corporations/Utilities			
Taxes 02-03	107,444,375	116,899,480	224,343,855
Insurance Taxes 02-03	87,970,125	95,711,496	183,681,621
Bank Taxes 02-03	51,129,500	55,628,896	106,758,396
Total Revenue to NYS	4,354,840,520	3,769,356,352	8,124,196,872
Total State Spending			
on LI (Table 4)	2,243,673,552	2,948,967,148	5,192,640,700
Balance of Payment			
Gap	2,111,166,968	820,389,204	2,931,556,172

University, and the use of some data from the Center for Government Research of Rochester, New York.¹⁰

Direct Payments to Local Governments – The New York State Comptroller reports annually on all state aid received by counties, towns, cities, villages, and school districts throughout the state.¹¹

TAP - Each year a share of “payments to localities” funds are distributed to communities without directly flowing through either a municipality or a school district. The Office of the New York State Comptroller reports this as “miscellaneous other payments,” which typically comes to around

fifteen percent of payments made directly to local governments. Because of the vast amount of different spending categories, most of this miscellaneous other payments category was unallocated. But Tuition Assistance Payments made to Long Island colleges was allocable from data supplied by the New York State Higher Education Services Corp.¹²

Special Revenue - The Office of the New York State Comptroller reports payments to localities from only the General Fund. The vast majority of spending from special revenue funds remains unallocated by region. But in several instances it was possible to determine monies Long Island receives from special revenue funds. These are the Consolidated Local Street and Highway Improvement program (CHIPS), the Suburban Highway Improvement Program (SHIPS), and the Marchiselli Highway program.

State Services - The most efficient way to calculate the amount the state spends on Long Island on state operations is to determine the amount the state spends on personal services and the amount it spends on things "other than personal service." Personal services amount to roughly seventy-three percent of all general fund state spending for the fiscal year ending March 31, 2004, according to the New York State Comptroller's annual report to the legislature on State funds.¹³

The New York State Labor Department calculates total wages and salaries in the year 2002 for state employees in the Long Island region to be \$1,029,987,886. There are several self-supporting funds in state operations, particularly at Stony Brook University Hospital in Suffolk County. The hospital is the recipient of much private sector, health insurance, Medicare, and Medicaid income, which goes to support many state employees. It is estimated that direct state support for Stony Brook University for 2002-2003 amounts to \$211,813,297 (\$159,374,900 for State Purposes and \$52,438,900 for Special Appropriations). This is approximately, eighteen percent of the entire \$1,173,681,647 2002-2003 University budget or, proportionally, approximately \$119,489,482 of the \$662,104,855 allocated for wages and salaries. Total Wages and salaries for state operations in Suffolk County as reported by the New York State Labor Department are thereby reduced by \$542,615,373 for self-supported operations at Stony Brook. Tuition revenue and other self-funding programs at state supported campuses and health related facilities throughout Long Island count for roughly forty percent of state spending. As this represents the bulk of state operations on Long Island, though not its entirety, this analysis assumes a thirty percent reduction in state salar-

Table 4
Summary of State Contribution to Long Island
(Annual Estimate for Budgetary Years Spanning 2002-2004)

Category of Spending	Nassau (\$)	Suffolk (\$)	Total (\$)
Direct Payments to Locs			
2002	933,711,000	1,604,074,000	2,537,785,000
TAP 01-02			190,036,437
CHIPS	11,988,936	13,897,544	25,886,480
SHIPS	2,238,647	506,967	2,745,614
Marchiselli	1,580,242	1,074,284	2,654,526
Wages and Salaries			
2002	151,625,006	189,535,753	341,160,759
Fringe Benefits	15,162,501	18,953,575	34,116,076
Other Than Personal			
Services	40,938,752	51,174,653	92,113,405
Lottery Aid to			
Education	59,075,542	133,186,024	192,261,566
State Pension			
Payments	381,404,276	501,115,953	882,520,229
Medicaid Payments to			
Long Island	321,121,057	269,962,871	591,083,928
State Subsidy to			
LIRR	282,166,020	118,110,660	400,276,680
Total State Spending			
on LI	2,243,673,552	2,948,967,148	5,192,640,700

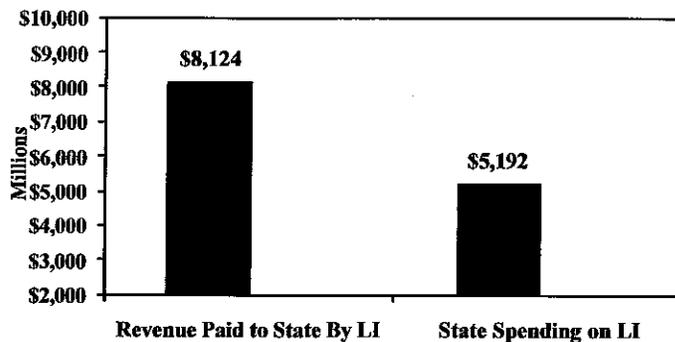
ies and wages reported by the New York State Department of Labor. Nassau County therefore receives approximately \$151,625,000 in state supported wages and salaries while Suffolk receives approximately \$189,535,753.¹⁴

Assuming a certain number of part-time employees on the state payroll, a conservative estimate for the cost to the state in fringe benefits would be an additional ten percent of total wages and salaries. The fringe benefit estimate comes to \$34,116,076. These numbers can then be apportioned by county relative to the number of state-supported employees in each county.

This analysis also assumes that state general fund operating expenditures for "other than personal services" is twenty-seven percent of all state general fund operating expenditures on Long Island (wages and salaries account for seventy-three percent), an additional \$92,113,405 that is spent on Long Island.

Lottery Aid - Revenue from the New York State Lottery, dedicated by statute to education, is deposited in a special revenue fund and distributed to local school districts by formula.¹⁵

Figure 1
Balance of Payments Deficit
Long Island and New York State
(Annual Estimate for Years 2002-2004)
\$2.9 Billion Gap



MTA - New York State provides subsidies for regional transportation authorities, including \$1,567,589,000 for the Metropolitan Transportation Authority, the parent company of the Long Island Rail Road. This information is reported by the New York Comptroller's Office. Other subsidiaries of the MTA include: Metro-North Commuter Rail Road, Metropolitan Suburban Bus Authority, Staten Island Rapid Transit Operating System, Metropolitan Transportation Authority Card Company, and First Mutual Transportation Assurance Company. The Long Island Rail Road's portion of this subsidy is estimated to be roughly thirty percent: eighteen percent for Nassau County and twelve percent for Suffolk County.¹⁶

Medicaid - New York State provides roughly twenty-five percent of all Medicaid costs. The federal government provides fifty percent and the counties themselves provide twenty-five percent. Other major social service program expenditures are contained in the direct payments to localities figures.

State Pensions - the New York State Comptroller reports pension payments to New York State retirees on Long Island annually.¹⁷

Conclusion

This analysis of revenue transfers between New York State and Nassau and Suffolk Counties was deliberately kept as conservative as possible. The negative return from New York State clearly proves the fiscal viability of an independent state of Long Island. A closer examination of the origin of New York State revenue moves the argument even more favorably toward Long Island statehood. For example, with independence the entire sales tax generated on Long Island, if maintained at the current tax rate, would produce more than two billion dollars of additional revenue annually. Without any added efficiencies in service delivery, reduction in service output, or loss of federal revenues that pass through the State of New York, the State of Long Island could easily reduce and possibly eliminate the entire property tax.

A number of tax scenarios could be evaluated, such as retaining all existing taxes but at significantly reduced rates. Whatever path is ultimately chosen, the end result would be lower tax burdens for all Long Islanders – and with the advantages of no loss in the provision of important public services.

NOTES

¹ Jeremy M. Creelan and Laura M. Moulton, *New York State Legislative Process: An Evaluation and Blueprint for Reform*, Brennan Center for Justice, New York University Law School, 2004.

² Article IV, Section 3 of the Constitution of the United States. “New States may be admitted by the Congress into this Union; but no new state shall be formed or erected within the Jurisdiction of any other State; nor any State be formed by the Junction of two or more States; or parts of States, without the consent of the Legislature of the States concerned as well as of the Congress.”

³ *The Long Island Regional Comprehensive Plan: Economic Segment: Long Island: The Economy (Draft)*, (Hauppauge: Long Island Regional Planning Board, 2002).

⁴ Balance of Payments Analysis, Long Island Regional Planning Board, Hauppauge, New York, 2004; *The Fiscal Balance Among NYS Regions: NYS Fiscal Years Ended March 31, 1992-March 31, 1997* (Rochester: Center for Governmental Research, Inc., 1999); *2002 New York State Statistical Yearbook* (Nelson Rockefeller Institute of Government:

Albany, N.Y.); *Consolidated Federal Funds Report* (Washington D.C.: U.S. Census Bureau, 2002).

⁵ *New York Adjusted Gross Income Tax Liability: Analysis of 2001 State Income Tax Returns By Place of Residence*, (Albany: N.Y.S. Department of Taxation and Finance, 2004).

⁶ State sales tax paid from Nassau and Suffolk Counties is estimated for 2004 by Suffolk County Treasurer John Cochoran and Nassau County Deputy Treasurer, John Marcari, *Newsday*, December 21, 2004.

⁷ *2004 New York State Statistical Yearbook* (Albany: Nelson A. Rockefeller Institute of Government, 2004)

⁸ *Ibid.*

⁹ *The Fiscal Balance Among NYS Regions: NYS Fiscal Years Ended March 31, 1992-March 31, 1997.*

¹⁰ Lee E. Koppelman, Arthur Kunz, Fred Rosenberg, and Seth Forman, *Financing Government on Long Island*, (Stony Brook, New York: Center for Regional Policy Studies, 1992); The model supplied by Center for Government Research, Inc., *The Fiscal Balance Among NYS Regions.*

¹¹ *Comptroller's Report on Local Government Finances for New York State: For Local Fiscal Years Ended 2002* (Albany: N.Y.S. Department of Audit and Control, 2004).

¹² New York State Higher Education Services Corp., PAIS Office, Research and Information Management, 2001-02 Student Aid File Layout.

¹³ *Comprehensive Annual Financial Report for Fiscal Year Ended March 31, 2004*, (Albany: Office of the N.Y.S. Comptroller, 2004).

¹⁴ Current Employment and Wages, New York State Department of Labor, Albany, New York; *The Economic Impact of Stony Brook*, Center for Regional Policy Studies, Stony Brook University, 2003.

¹⁵ *2004 New York State Statistical Yearbook.*

¹⁶ Office of the New York State Comptroller, Public Authorities, Long

Island Rail Road, State Assistance File, world wide web
<http://www.osc.state.ny.us/finance/pubauth/page315.htm>

¹⁷ *New York State and Local Retirement System: Comprehensive Annual Report* (Albany: Office of the N.Y.S. Comptroller, 2004)