

ANDREW J. SPANO, Westchester County Executive
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SPANO PROPOSES AUSTERITY BUDGET FOR 2010

Responding to the continuing plummet of county revenues and unrelenting increases in mandated costs, County Executive Andy Spano today proposed a budget for 2010 that maintains essential county services but cuts 37 county jobs (34 of which are vacant), gives only one-month funding to 14 senior-level positions, requires most employees to take an unpaid week furlough and discontinues subsidies to the Westchester Medical Center.

Despite these severe cutting measures -- and savings plans implemented in 2008 and 2009 to control costs -- the proposed 2010 budget of \$1.819 billion would still require a 4.88 percent increase in the county tax levy to offset a projected decrease of \$50.9 million in revenues (mainly decreased sales tax) and an increase in expenses of about \$70.2 million, including \$46.2 million in mandated expenses and other costs beyond the county's control.

"In short," said Spano. "We have a budget impact of more than \$121 million that we have to deal with."

He added, "No county executive wants to raise taxes. However, as county executive, I have to make difficult choices, some of which may not be as popular as others but every decision is made in the best interest of the residents of Westchester. The budget recognizes the extraordinary economic times, which all levels of government -- federal, state, county and local -- are facing. As in all my previous budgets, the proposed budget supports the fiscal integrity of the county and its triple A-bond rating. It minimizes the effect of the economic downturn on taxpayers while providing essential services for the residents of Westchester."

Spano said that the budget is not without pain and not without needed sacrifice. He called on members of the CSEA, Teamsters and other county unions to go along with the five-day unpaid furlough so that severe layoffs can be avoided.

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“The last thing we want to do is lay people off in this economy,” Spano said.

Beyond the elimination of 34 vacant jobs and three other management positions, his proposal includes only one-month funding for nine positions in the county executive’s office and five deputy commissioner positions.

“This will give the incoming county administration the flexibility it needs to assess these positions as it goes forth,” he said.

Among the job cuts, the county executive’s security detail will be eliminated, removing three police officer positions from public safety.

In addition, his budget calls for a review of the Health and Community Mental Health departments to see if they should be ultimately merged, as physical illnesses, mental health and substance abuse are inter-related. This would not only provide better services but create efficiencies that would reduce costs. As a result, the budget includes funds for only one commissioner.

The budget must be approved by the Board of Legislators by Dec. 27.

REVENUES

Economically driven revenues have decreased by \$50.9 million. The largest of the decrease is attributed to sales tax. It is estimated that sales tax will decrease by \$45.6 million from the 2009 adopted budget. Other economically driven revenues (Mortgage Tax, Hotel Tax and Auto Use Tax) have been similarly affected, totaling a \$3.4 million decline.

Also, as with all investment portfolios, interest earnings have declined \$1.9 million.

EXPENDITURES

On the expenditure side, the county continues to be hit with a \$13.6 million increase in pension costs (mandated by the state) and increases in various social services areas. Medicaid growth is estimated at \$7.2 million (for a total of \$204.9 million), with the balance of Social Services Relief accounts reflecting another \$11.4 million expenditure increase. Services for Children with Special Needs are increasing by \$7 million (for a total of \$141 million). In addition, the county has been assessed with the new MTA Mobility Tax, costing \$1.5 million.

Another area that has seen major cost increases is employee health insurance, up \$24 million due in large part to a surge in the number of extremely ill catastrophic cases that the county government must fund. Changes made to the plan as part of labor negotiations in 2008 have stemmed the growth of prescription drug costs to reasonable levels.

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In addition, the costs for workers compensation has increased by \$5.5 million.

SOME OF THE SPECIFICS IN SPANO'S PROPOSED BUDGET:

- The abolishment of 37 positions (34 of which are vacant), with an estimated savings of \$2.4 million.
- One-month funding for 9 positions in the county executive's office and 5 deputy commissioners, saving \$1.5 million.
- In addition, for all remaining employees with the exception of elected officials, the Board of Legislators staff and public safety, correction and criminal investigators, **a five-day unpaid furlough, which saves \$5.5 million.** (Spano called on the legislators to impose the furlough on its own staff as well.)
- Elimination of the county executive's security detail.
- No tax levy dollars for Playland
- For the third consecutive year, no pay increases for commissioners, directors and non represented management
- A savings of \$1.5 million in overtime reduction.
- \$5 million in savings from locking in decreased fuel costs for buses and \$250,000 in savings from a new Paratransit contract.
- No cuts to contract agencies.
- Increase revenues of \$4.7 million to the Department of Labs and Research by maximizing the fee structure.
- End to the county's subsidy of the Westchester Medical Center, saving \$12.5 million.
- Initial steps to merge the departments of Health and Community Mental Health, with funding for one commissioner.
- The budget continues cost-savings measures previously implemented ranging from the use of network printers, decreasing the number of duplicative electronic devices, to the reduction of light bulbs to the adjustment of thermostats.