

# Westchester leader proposes job cuts

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WHITE PLAINS — A total of 236 Westchester County employees would lose their jobs, and 83 unfilled positions would be eliminated in the budget for 2004 that County Executive Andrew Spano said he would propose tomorrow.

Together with earlier cuts, the budget would reduce the county payroll to less than half its 1990 peak of 9,200 workers.

The ax would fall hardest at the Department of Social Services, where Spano said he would propose laying off 150 employees and cutting 31 unfilled jobs in programs that serve foster-care children, the homeless and people coming off welfare.

The second-biggest hit would come at the Health Department, where Spano wants to lay off 57 workers and cut 12 unfilled jobs. The programs that would be affected provide family planning and dental services for indigent children; enforce laws banning the sale of tobacco to children; and conduct a war on mosquitoes that the county launched after the West Nile virus appeared in 1999.

Some of the programs would be eliminated, and others would be provided by outside companies working under contract to the county, a process known as outsourcing or privatizing. The New Rochelle district office of the Department of Health would be closed. By eliminating some services and privatizing others, Spano said the county would cut the cost of the services 10 percent, which he said would save Westchester \$23.8 million next year.

"The bottom line is, we are protecting the taxpayer by reducing costs as much as we can," Spano said in an interview with The Journal News yesterday in which he outlined elements of the budget he will send to the Board of Legislators tomorrow. "We're trying to (spare) anybody that is in a position of need and is vulnerable, and we're trying to protect the quality of life in Westchester County, all in the most dire of circumstances."

Spano's plan drew a shrill reaction from the leader of the county's largest labor union, and a chilly one from the Board of Legislators. All of the county's nine unions are working without contracts, so yesterday's announcement that they also are facing layoffs added to their woes.

**"Our (county executive), a Democrat and former labor leader, feels he can cut labor without any consequences rather than having a high property tax increase," said Jack McPhillips, president of the county unit of the Civil Service Employees Association, which has 3,800 members. "We're running surpluses. Our surplus is growing as we speak. So where is the county's fiscal problem?"**

**Budget Director Kate Carrano yesterday forecast that the county would end the year with a \$31 million fund balance in its \$1.3 billion budget, although accounting practices will prohibit the county from touching the money until 2005.**

"I'm open to his thought process and will review it, but I would think privatization — just the term — sends a signal that will be difficult for a lot of the legislators to deal with," said Richard Wishnie, D-Briarcliff Manor, who chairs the Board of Legislators' Budget Committee.

The Budget Committee would have until Dec. 1 to add any jobs back to the county budget, and the full legislature has until Dec. 27 to adopt a final spending plan for next year. In the meantime, Spano said he already is seeking proposals from firms willing to run some of the Social Service and Health department units that he wants to close. He also said an effort has been launched to help workers who will lose their jobs to find other employment.

Eliminating the positions would help fill a revenue shortfall for next year that Carrano warned in July would be as high as \$117 million, which she said would require a 29 percent property tax increase to patch. Susan Tolchin, Spano's chief adviser, said the revenue shortfall and the tax increase have been reduced since then, but she said those details would not be released until Spano sends his budget to the legislature tomorrow.

Spano disclosed a handful of other details yesterday about what the budget will contain. He said he would propose eliminating or cutting service on several bus routes, including the White Plains to Manhattan express and a route serving Playland Park in Rye. But he said he would not propose raising bus fares, which went from \$1.40 to \$1.75 a ride this year. He said he would not impose a second round of cuts on the nonprofit agencies, such as women's shelters and health clinics, that hold contracts with the county, which were cut about 20 percent this year. In all, Spano said the cuts to county programs, including the layoffs, would total \$29.8 million.

Spano would not say whether he would propose new revenue sources, such as the 1 percentage point increase in the county sales tax that he requested last year. The county legislature endorsed that request and added \$67 million in revenues that the higher sales tax would have generated to the 2003 budget, but was forced to remove the money when the state Legislature refused to sign off on the tax increase. The legislators replaced the lost sales tax money by increasing the county property tax levy 14.8 percent and cutting \$14.7 million in spending.

Spano has been meeting with several state legislators from Westchester in recent weeks to discuss the prospect for increased state aid or for permission to raise other taxes, surcharges and fees collected in the county, such as a surcharge on traffic tickets. State Assemblyman Richard Brodsky, D-Greenburgh, said after meeting with Spano that the state legislators "intend to continue to be helpful in any gap-closing problems that the county foresees," but added that he "did not note a change in the philosophical positions (on the sales tax) from what people took last year."

Otherwise, Spano yesterday reiterated his warning that the 2004 budget will be one of the bleakest ever proposed by a county executive, which he blamed on the number and scope of state and federal programs that the county is required to contribute to, led by Medicaid.

The county's Medicaid bill is expected to grow more than \$20 million next year, to \$225 million. Westchester also will have to contribute about \$10 million more to the state retirement system in 2004 than it budgeted this year. A state requirement to boost payments to lawyers representing the poor in criminal cases will cost Westchester another \$5.8 million in 2004. The county's self-insurance funds will require an additional \$15 million, after they were nearly depleted to balance the past two budgets. A rainy day fund of \$46 million was depleted to balance the 2002 and 2003 budgets.

On the revenue side, payments anticipated from a nationwide tobacco settlement could drop by \$11 million in 2004 and 2005 after Wall Street downgraded the bonds of tobacco giant R.J. Reynolds to junk status.

The 319 jobs Spano will propose eliminating tomorrow would come on top of the 312 jobs that the county eliminated this year, although only about a dozen county employees, all working for District Attorney Jeanine Pirro, lost their jobs in that round of cuts. The layoffs Spano is now seeking would be the most significant since 1996, when former County Executive Andrew O'Rourke eliminated 283 jobs by privatizing several services. A court eventually overturned the privatization contract O'Rourke signed with IBM Corp. because it had not been approved by the legislature, forcing O'Rourke to offer 109 of the workers their jobs back.

Otherwise, the biggest dip in the county payroll occurred when the county spun off the Westchester Medical Center several years ago, moving more than 3,000 workers to the public benefit corporation that now runs the hospital.

The cuts would reduce the payroll to just over 4,400 employees, not including more than 1,000 positions funded separately by state and federal grants.

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