CENTER FOR

Co$t Effective

GOVERNANCE

YEAR IN REVIEW 2020

YEAR IN REVIEW

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CHAPTER 1
SYNOPSIS

Every two years, our Center for Cost Effective Governance prepares a review of our activities over that period.

These past two years have been quite eventful. 2019 was dominated by the landmark white paper our center issued on the enormous cost that factoring overtime into public pensions is having on taxpayers. There have been many studies in the past about ballooning pensions and overtime's impact on present budgets, but few if any have gone into the detail that our center has in calculating how much money taxpayers would be on the hook for over the next two decades if the present system is not changed. The amount is mind boggling - up to $80 billion. Our study made a mark. We were cited in a number of periodicals including at least two editorials in the New York Post.

2020 was an upside down year for most Americans, and for that matter, people around the world, due to coronavirus. Focus naturally shifted for many businesses and foundations to one of survival. Questions surfaced as to how we should best deal with our shut down economy. How should the public sector be responding to the dramatic loss in revenues that came about from the shut down? How will voting patterns be altered? How should our police departments be restructured if at all?

We certainly weighed in on many of these hot topics. The truth is, New York State's budget was in deficit mode long before the advent of the virus. Warnings from our center and other advocates of fiscal responsibility were going unheeded. Governments were sitting back waiting for a federal bail out rather than instituting the type of restructuring reforms that our center has been pushing for years.

It is often said that a crisis is a situation that should not go to waste. While the will to make necessary reforms may have been lacking in the past, perhaps being thrown into a crisis through the pandemic will finally force feckless legislators to make the hard choices that they have ignored for too long.

As an example, our center has advocated for the installing of fiscal control boards to monitor the finances of local governments that are heading toward insolvency. Few wanted to take that step. But now, with governments on the brink of bankruptcy due to the virus, a fiscal control board is what they may need to save them. These boards have the power to restructure government rules and contracts.. They were successful in saving New York City in the 1970s, and other municipalities over the decades.

We put out a warning to local governments to take immediate action upon the advent of the virus to deal with what was inevitably going to be a huge drop in their revenues.

We submitted testimony to the state regarding the need to rein in the uncontrolled costs inherent in the Metropolitan Transit Authority. We opposed the congestion pricing scheme suggested by New York City and state officials, especially without requiring any reforms at the MTA. We have been warning for the longest time that the problem with the MTA is not a lack of revenues, but rather, their uncontrolled appetite to spend and their archaic work rules.

Problems related to the MTA are akin to those of various governments that are being overwhelmed by their pension costs. Our white paper regarding the impact of overtime on pension costs includes a number of references to the MTA, especially the poster boy for overtime abuse, Thomas Caputo, who remarkably was allowed to collect $344,000 in overtime in a single year.

This type of wasteful spending is also evident within the number of Industrial Development Agencies (IDAs). These entities were originally formed to provide incentives for businesses to move to certain areas with the promise of tax breaks in return for the creation of plentiful jobs. While we're supportive of real manufacturing jobs that can be created, we take issue with a number of these tax breaks being given for parking lots or storage facilities that provide few, if any, jobs.

We also sounded the alarm about costs related to various energy and environmental proposals that sound good on paper, but are enormously expensive.

When proposals were issued to lay down requirements for some homeowners on Long Island to replace their cesspools, our center brought out the little known fact that these improvements could cost homeowners up to $20,000 to implement. This would crush many struggling taxpayers. We recommended far less expensive alternatives.

When well meaning politicians and editorialists were gushing in their praise over state proposals to construct offshore windmills, it was our center that demanded that the public be told the true cost of these projects. We found it could be 3 to 7 times the cost of traditional power plants. While we support the less expensive land-based windmill farms, we cautioned about the extravagant cost of the deep water programs. At the very least, we believe the public had a right to know the true cost of these projects.

Our center also highlighted the extravagant cost of various village police departments. Some of these sleepy villages have just a handful of violent events over the course of the year. Yet, because of the strength of their unions, these officers often earn over $200,000 a year and garner pensions well above six figures.

We exposed the enormous cost of these village departments and issued a white paper recommending that the lower crime villages shift to the use part-time police by hiring retired officers from larger jurisdictions. Great savings would emanate by negating the need to pay their health benefits or pension contributions and the fact that retired officers are capped at a $30,000 salary.

The irony is that many groups today are calling for the defunding of the police departments. We believe otherwise. Our center believes that we need more police and that can be achieved by restructuring these police departments to make them more efficient.

Our center has been educating the public to the fact that while police departments comprise a big chunk of local budgets, it is schools that comprise the largest component of one's tax bill.

In some places, 2/3 of one's property tax bill goes to the school district.
Costs have been skyrocketing in schools, despite the fact that test scores have not risen commensurately. Our center has been at the forefront in exposing the fact that more money does not equate to a better education. We need more efficient spending, not more spending in our schools.

We have also been vigilant in overseeing threats to the legislative process. We have been at the forefront of supporting more legislative powers to counterbalance the authority of the governor.

Additionally, we joined forces with plaintiffs in a lawsuit seeking to create councilmanic districts in some of our larger towns to help ensure that there is proper representation for all residents. Minority residents, in particular, who tend to live in clustered areas have been deprived of representation in the town of Islip throughout its history. Councilmanic districts, rather than the at-large version, would help ensure that each community within the town has a representative from that area.

Our center has also been at the forefront of ensuring the integrity of our electoral process. We have been fierce opponents of electronic voting, which we found to be unnecessary and extremely expensive. We have also issued warnings regarding an over reliance on mail-in voting and the chaos that can ensue if we discourage in person voting.

Our role as fiscal watch dogs can often force us to wade into some controversial waters. We felt the need to speak out in favor of insisting upon proper oversight over federal funds that were distributed to assist those who were suspected of being afflicted with cancer as a result of the terrorist attack in 2011. It is a difficult position to take for fear that some may interpret our concerns as being against our heroes receiving the financial support that they need. Nothing could be further from the truth. In fact, we want to make sure that those first responders who put their lives on the line have enough money to get through difficult times. The problem is that the money dedicated to the fund was so overbroad that the possibility exists that those not truly needing relief directly related to the terrorist attack may siphon money from those who truly do.

In the years to come, our center will continue to provide oversight of government fiscal policies and educate the public as to how our money is being spent. Our states, counties and national government continue to borrow more, not less money. Our future generations will bear the brunt. Who is looking out for them?

In the year to come, we will tackle issues ranging from welfare reform, to income inequality, to health care to sensible, affordable environmentalism. Throughout it all we will continue to emphasize that it is not how much we spend, but rather, HOW we spend our tax dollars. Stay tuned!

CHAPTER 2
WHITE PAPER ON THE COMING PENSION TIME BOMB

In the fall of 2019, our center issued a white paper warning the public about the enormous financial obligation taxpayers are bearing for public pensions and the fact that they are being further inflated due to the factoring of overtime into the pension calculation.

Our findings Indicated that the burden on taxpayers is enormous - up to $54 billion over the next 20 years, and up to $80 billion once inflation is factored in.

We found that in some jurisdictions some people are making more in retirement than they did when they were working. Some salaries of $100,000 were doubled in the last year due to inordinate over time that is permitted to be earned by senior employees. Since pensions might amount to 60% of the final years' salaries, we can see how the overtime distorts the average worker's earnings.

We put forth a number of recommendations including eliminating the factoring over overtime not just for existing, as well future employees. We also recommended the elimination of the defined benefit pension to be replaced by a defined contribution system, such as we see in the private sector with 401(k) type programs. These pensions would follow the market as opposed to having taxpayers be on the hook for the ensuing costs.

We also recommended an increased use of fiscal control boards and even Chapter 9 bankruptcies for municipalities and counties on the brink of insolvency. These legally available options allow for governments to restructure their burdensome contracts and archaic work rules.

Since the white paper was over 40 pages in length It is impractical to include it within this Year in Review. However, those seeking to peruse its contents can find it on our website at www.Centerforcosteffectivegovernment.org.

We have, however, incorporated the press release, the summary and some component parts related to the white paper.

We were guest speakers at a meeting sponsored by Long Islanders for Legal Reform. We discussed the enormous impact pension obligations will have on future taxpayers.

We provided a powerpoint presentation to our Center membership on overtime and the pension timebomb.

In July of 2020, our center was invited to make a presentation of the topic before the Long Island Association of Small Businesses and we obliged by providing an educational forum via virtual connection.

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December 23, 2019
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STUDY SAYS EMPLOYEE OVERTIME WILL LEAD TO OVER $50 BILLION IN TAXPAYER EXPOSURE

A new study concludes that taxpayers can save tens of billions of dollars by eliminating overtime from pension calculations.

The White Paper released this week by the Center for Cost Effective Governance indicates that taxpayers will be on the hook for an astounding $30-$54 billion over the next twenty years, and up to $84 billion after adjusting to inflation, due to public employees being able to bloat their pensions by having huge amounts of overtime factored into the formula that determines how much they will be compensated annually upon retirement.

But all this could be avoided if the state legislature would simply pass legislation that would prohibit overtime from being factored into pension calculations, said the Center's Executive Director, Steve Levy.

According to Levy, "The six-figure pension - which used to be an anomaly - is now the norm for those retiring from certain unions, primarily because base salaries are being inflated in the final three years of earnings by inordinate overtime incurred and then factored into the pension. We believe that neither the public, nor even most elected leaders, are aware of just how much of a burden this will place on taxpayers over the next 20 years.

"These obligations are a time bomb waiting to explode. It is hard to think of a single measure that the legislature can pass that would be more beneficial to taxpayers than ending the practice of allowing overtime to be factored into the final pension calculation."

The report notes that in 2010, the state legislature created a new Tier 6 that prevented any overtime more than 15% above the base salary from being calculated into the pension award. This will one day save money, but it only applies to employees hired after April, 2012. The report states that there are hundreds of thousands of government employees hired prior to that date who will be retiring over the next 20 years and still be permitted to incorporate overtime into their pension calculations.

Said Levy, "By the time we start experiencing the first dime of savings from the new Tier 6, we may very well go bankrupt because of the payments we will have to shell out to those in the first five tiers who are yet to retire. The purpose of this White Paper is to highlight the extraordinary burden these pensions will place on taxpayers over the next two decades."

Many law-enforcement personnel are eligible to retire after just 20 years of service. Employees in the state pension system will earn from 50% to over 60% of their highest three-year average salaries. Those out on disability - and there are many - receive up to 75% of their salary. (The pensions are exempt from state taxation.) This incentivizes employees to maximize the amount of overtime worked as they approach retirement in order to inflate their overall pay.

The overtime explosion was brought into focus after an expose' by the Empire Center uncovered that a Long Island Rail Road employee had earned $344,000 in overtime in a single year as he was about to retire, thereby bumping his pension to $162,000 per year. This led to various officials from the governor on down calling for criminal investigations into the overtime abuse.

But Levy contends: "It's not the illegal overtime that is primarily the problem; rather, it's the overtime garnered legally via outrageous contractual provisions and convoluted work rules."

The study evaluated how many employees are likely to retire over the next 20 and 25 years, as well as what the likely overtime earnings for those retirees will be, and how much additional taxpayer burden will be incurred because the overtime is permitted to be factored into the pension. The Center gleaned information available through the Empire Center's See Through NY Program, as well as data from Citizens Budget Commission, Newsday, the New York State Comptroller and other sources. Some of the findings are as follows:

Nassau County Police

The Center evaluated the numbers for officers in the Nassau County Police Department who retired in 2018.

The average amount of overtime earned in the final year for these employees was $37,000. The Center assumed each individual would retire at the more modest 50% of their final averages. That equates to an annual taxpayer burden of $2.4 million for just one graduating class of 130 officers. But the average lifespan for these officers retiring at 55 is 25 years, and much more if they retire earlier due to their 20 year retirement eligibility.

Over the lifetimes of these retirees, taxpayers will have to incur an additional $60 million just because overtime was included in these calculations. But since there will be 25 more classes of retirees over that span, the ultimate price tag over that period will amount to $783 million.

The figure does not even incorporate wage inflation, which is certain to occur. Nor does it reflect the annual raises tied to the Consumer Price Index once the employee retires.

The paper then applied the same analysis to the numerous pension systems throughout the state.

New York State and New York City Employee Retirement Systems.
There are over 650,000 active employees in New York State Employee Retirement System (NYSERS), the state's largest. 413,000 of them are in tiers one through five, with an average of approximately 20,000 retirements each year.

Then, there are over 200,000 non-uniformed employees in the New York City Employee Retirement System. Figures provided by the Empire Center note an annual average overtime of $11,599 per individual about to retire. This seems small, but when half of that amount is added to the pensions of such a large number of retirees, the additional taxpayer burden over 20 years will balloon to $5.78 billion for the City retirees and $24.8 billion for state system.

Police and Fire Retirement System (exclusive of New York City).
Overtime for uniformed personnel tends to be far greater than that of a typical non-uniformed worker. According to the Empire Center, correction officers about to retire take in an average of $39,000 in overtime. Other studies show Port Authority officers earning over $56,000 just before retirement, while LIRR employees averaged $34,000.

Police and Fire in New York City
The report includes a breakdown of other government agencies and the costs associated with the overtime inclusion. They include the MTA ($5.69 billion), and New York City Police ($6.74 billion), Fire ($1.05 billion) and Sanitation ($567 million).

When all these, and other, departments are added together, it comes to approximately $30 billion in costs if looking conservatively at just the average overtime for all employees, and up to a more realistic $54 billion if we use the overtime amounts for those nearing retirement.

But since wages will rise over the next 20 years, the more accurate taxpayer obligation is closer to $84 billion, assuming the CPI rises at the same 54% level it did over the past 20 years.

Levy stated, "We have long known what the problem is, and now we know the magnitude of this problem over the next two decades. The question is: How do we solve this problem? Ultimately, the state legislature must take action to limit overtime that can be factored into the pension calculations of current employees, as it did for those hired after 2012."

The study notes that scholars are divided over whether reform would require an amendment to the state Constitution. New York's Constitution states that pensions shall be neither "diminished or impaired."

The Center helped draft legislation with Assemblyman Michael Fitzpatrick to seek passage of bills that would implement the change directly through legislation or through an amendment to the state Constitution.

Levy noted, "This bill was first introduced in 2015. Had the legislature enacted the reform at that time, billions of dollars would have been saved already. How much longer can we wait? How much more can the taxpayers endure? If we don't take action, we may indeed head down the path taken by cities such as Detroit, San Bernardino and Stockton, all of which were forced into bankruptcy."

SUMMARY FROM WHITE PAPER

Base salaries in the public sector now exceed salaries in the private sector for comparable jobs.

Pensions are typically based on the average of the highest three years of earnings (usually the last three years of service).

Pensions are not limited to just base pay. Overtime (OT) earnings are included as well.

Traditionally, senior employees who have announced their intention to retire, load up on overtime to inflate their pensions. Many contracts actually require that senior members get first shot at the overtime.

The final pension received by an employee ranges from 50% to over 60% of the total earnings, which include base pay and overtime. This creates an incentive for employees to maximize overtime in their final years.

Many fire and police employees retire on a disability pension, which provides for a pension that is 75% of the final earnings.

In 2010, in the midst of the Great Recession, state legislators acknowledged the deleterious impact overtime being factored into pensions was having on taxpayers and government budgets. Consequently, the state passed legislation creating a new Tier 6 in the retirement system, which limits the amount of overtime that can be factored into the pension to approximately 15% of the base salary.

While this sounded like a major reform, it does little, to nothing, to stop the hemorrhaging we are presently experiencing, because the limits only apply to employees hired after April, 2012.

There are hundreds of thousands of active employees in the New York State and New York City Retirement Systems who are yet to retire. The vast majority were hired prior to the Tier 6 reforms.

While the method of determining the number of retirements, and the amounts the retirees will earn in overtime in their highest three years, is not an exact science, we can attain a ballpark figure as to what these figures will be, based upon past performance.

If typical retirements and overtime earnings materialize, we can project that the cost to taxpayers associated with overtime being calculated into the pensions of the still active public sector employees over the next 20 to 25 years will be as follows:

For the employees in the New York State Employee Retirement System (NYSERS), excluding Police and Fire, the cost will be $14.12 billion over 20 years and $21.86 billion over 25 years (if utilize average overtime for all employees). But, if we use the average overtime of workers who are nearing retirement, those numbers will be even more mind boggling: $24.84 billion and $38.45 billion, respectively.

For the 35,000 Police Officers and Fire Fighters outside New York City, the cost will be $5.14 billion over 20 years and $7.95 billion over 25 years.

For 34,000 New York City Police Officers, the cost will be $2.65 billion over the next 20 years, and $4.11 billion over 25 years, if we incorporate the average overtime amount of $14,000. If we factor in the same overtime of $37,000 for senior officers nearing retirement, as seen in other law enforcement departments, the numbers increase to $6.74 billion and $10.43 billion respectively.

For 11,000 New York City Fire Fighters, the cost will be $796 million over 20 years, and $1.23 billion over 25 years, when factoring in the average overtime of $20,000 for all employees. If we factor in the estimated amount for senior employees near retirement, the numbers increase to $1.05 billion and $1.6 billion, respectively.

For New York City Corrections Officers, the cost will be $3.15 billion over 20 years and $4.87 billion over 25 years.

For MTA employees, the taxpayer burden will exceed $5.69 billion over 20 years and $8.816 billion over 25 years.

For New York City Sanitation employees, the cost will be $567.12 million over 20 years and $877.69 million over 25 years.

For Port Authority workers, the cost over 20 years will be $851.2 million, while over 25 years it will cost $1.317 billion. (Split between New York and New Jersey.)

For New York City employees, excluding Transit workers (who are incorporated into the MTA numbers herein) and other city departments cited above, it will cost $5.78 billion over 20 years and $8.95 billion over 25 year.

It is important to note that these figures are not adjusted to account for wage inflation. Thus, the astounding numbers cited herein are much lower than they will actually be once the cost of living is taken into consideration.

The Consumer Price index increased by 73% over the past 25 years and by 54% over the past 20. Assuming the years to come follow a similar pattern, the actual burden to taxpayers would increase significantly.

Adjusted to inflation, the amount taxpayers will be obligated to cover is as follows:

NYSERS: $21.74 billion over 20 yesar and $37.8 billion over 25 years if use average of all employees. If use average for those retiring, it equals $38.44 billion over 20 years and $66.52 billion over 25 years.

Police and Fire (outside New York City): $7.92 billion over 20 years and $13.75 billion.

New York City Police: if using average overtime for all employees, it would be $4.08 over 20 years and $7.11 billion over 25 years. If use amount for employees closer to retirement, it would be $10.38 billion over 20 years and $18.04 billion over 25 years.

New York City Fire Department: $1.62 billion over 20 years and $2.77 billion over 25 years.

New York City Correction Officers: $4.85 billion over 20 years and. $8.43 billion over 25 years.

MTA Workers: $8.76 billion over 20 years and $15.25 billion over 25 years.

New York City Sanitation: $873 million over 20 years and $1.58 billion over 25 years.

Port Authority: $1.33 billion over 20 years and $2.28 billion over 25 years.

New York City Employee Retirement System, excluding Transit and departments cited above: $8.9 billion over 20 years, and $15.48 billion over 25 years.

THE TOTAL AMOUNT THAT TAXPAYERS WILL PAY OVER THE NEXT 20 YEARS FOR OVERTIME FACTORED INTO PENSIONS IS ESTIMATED TO RANGE FROM A LOW OF $32.91 BILLION (when using primarily average salaries from all employees) TO $54.48 BILLION (when using the average overtime for those senior employees actually retiring).

Upon factoring in an inflation rate of 54% over the next 20 years, those numbers jump to $50.68 billion and $83.9 billion respectfully.

To reverse the unsustainable burden being placed on taxpayers, the Center recommends passing legislation or a constitutional amendment that would bar overtime from being factored into the future pensions for all public sector employees, including those hired prior to the implementation of Tier 6.

The Center also recommends considering the establishment of more financial control boards, that can restructure outlandish contractual provisions, and the expanded use of Chapter 9 bankruptcy filings for overburdened government entities.

ADDITIONAL FACTS REGARDING EXCESSIVE SALARIES, OVERTIME AND PENSIONS

In 2017, the Empire Center reported that 3/4 of New York City Fire Department retirees that year had pensions exceeding $100,000, with the average pension being $127,000.

In 2019, ¾ of new Nassau County police retirees had pensions exceeding $100,000.

More than 1/3 of New York City police are on a disability pension.

In 2016, 82 correction officers earned over $100,000 in overtime.

In 2013, a Port Authority employee had a $129,000 salary and a $172,000 pension, 1/3 above his base pay.

41% of overtime in the Nassau Police Department goes to just 16% of their members.

Port Authority police officers nearing retirement averaged $56,000 in overtime.

In 2018, Nassau police officer, Thomas Papaccio, earned $85,000 in overtime, allowing him to retire with a $179,000 pension, though his base salary was a much lower $122,000.

According to The NY Times, 100 police and fire pensioners in Yonkers earned a higher annual pension than what they earned for their base salary.

In 2015, the average Suffolk County police officer earned $154,000. By 2018, the average top tier detective earned $227,000.

OPINION EDITORIAL

NY pols keep digging the state's pension hole deeper

By Post Editorial Board

December 28, 2019 | 6:23pm

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New Yorkers got another alarming wake-up call last week about the state's unsustainable pension funds. They'd be wise to pay close attention.

State and local employees who pad their pension payments by chalking up overtime as they near retirement could cost taxpayers a whopping $32 billion to $54 billion over the next 20 years, a new report — released Monday by the Center for Cost Effective Government — found. With inflation, that figure might jump to $84 billion.

It's a lot of money, even by New York standards.

Public payouts are usually based on an employee's three highest earning years, including overtime. So workers close to retirement juice their salaries by putting in extra hours, with many union contracts giving senior employees first crack at the OT.

State law now caps overtime pay used in pension calculations but only for workers hired after 2012. Passing a cap for all employees would require a change to the state Constitution.

As a result, "six-figure pensions are now quite common," the center noted. Indeed, three-quarters of Nassau and Suffolk County cops who retired last year got more than $100,000 annual pensions; so did two-thirds of Yonkers police retirees.

One 52-year-old Nassau officer retired with a $221,086 annual package — after ending his career with a base salary of $122,514.

Last spring, The Post highlighted even higher payouts for LIRR workers, based on figures provided by the Empire Center.

Even with such abuse, the new report's numbers may be high compared to other estimates. But there's little doubt New York has a seriou problem.

Pension costs account for more than a tenth of the city's total budget, the Manhattan Institute reports, and 17 percent of city tax revenue. That's twice as much as 20 years ago, and it leaves less money for schools, cops — or lower taxes.

Indeed, retirement pay is now on course to edge out social services as the largest spending category after education.

Then there are the benefits promised to workers years down the road: Taxpayers will be on the hook as the workforce continues to age, retire — and live longer.

Meanwhile, even as the state faces a $6.1 billion budget hole, Albany continues to pass benefit sweeteners for public-sector unions that contribute to their campaigns — 18 of them this session alone, the Citizens Budget Commission notes.

Gov. Cuomo wisely vetoed 14 but signed three others: City cops, for example, will now get retirement credit for time spent as cadets, costi taxpayers an extra $5.6 million annually.

Another bill he signed increases annual maximum contributions, from $700 to $1,200, for volunteer ambulance and fire services. Lawmak didn't even bother to calculate the cost, even though it's required by law.

Cuomo & Co. just don't seem to understand: They're never going to plug the pension hole if they keep digging it deeper.

FILED UNDER EDITORIAL, NEW YORK, OVERTIME, PENSIONS, STATE BUDGET, 12/28/19

Center for Cost Effective Government (costeffectivegov@gmail.com) Thu, Sep

To: you Details

CENTER FOR Co$t Effective GOVERNANCE

Center Overtime Study Cited In New York Post Editorial
January 8, 2020

Our Center's efforts to expose the detrimental impact that factoring overtime into public pensions is having on tax payers, culminated in a 40 page white paper that, last month, was lauded in a New York Post editorial (see below). Our analysis may be the first ever quantifying of the specific burden this will place on taxpayers over the next two decades. Our research shows that taxpayers will be on the hook for an extra $50 billion on our pension obligations just for the increased pension awards related to the overtime. That figure jumps to $84 billion when factoring in inflation. It is our hope that our state officials will take notice and support the legislation we helped draft with Assemblyman Fitzpatrick to eliminate overtime from being factored into these pensions.

Copies of our white paper and our related press release are attached below

METRO

Overtime on NY pensions could cost taxpayers up to $54B over decades: study

By Carl Campanile and Aaron Feis

December 22, 2019 | 10:11pm

Shutterstock

Retiring state and municipal workers padding their pensions with overtime could cost New York taxpayers $32 billion to $54 billion over the next 20 years, according to a new study.

In a report out Monday, the Center for Cost Effective Government crunched the numbers to project the fiscal reverberations of public servants piling up overtime in the waning years of their careers.

"These obligations are a time bomb waiting to explode," said executive director Steve Levy.

Because the size of a retiring worker's pension is typically derived from their three highest-paying years — generally the last three of their career — it's common for senior employees to inflate the rate by going out with a deluge of overtime, he said.

"The six-figure pension — which used to be an anomaly — is now the norm for those retiring from certain unions," said Levy, a former Suffolk County executive.

Projected to be among the biggest burdens on taxpayers over the next two decades are the MTA, correction officers and the NYPD — where departing workers' OT is expected to add another $5.69 billion, $3.15 billion and $2.65 billion, respectively, to pension costs.

But the largest share belongs to workers under the New York State Employee Retirement System, which includes everyone from state park rangers to State University of New York professors, according to the review.

All told, NYSERS members are expected to have their pensions inflated by OT to the tune of $14.12 billion over the next 20 years.

That's nearly half of the $32.91 billion that Levy says is a conservative estimate for the sum.

But the actual impact could be closer to $54.48 billion, according to Levy — and neither figure accounts for inflation.

Though cases of alleged pension fraud do factor in, the biggest drains are perfectly legal, he noted.

"It's not the illegal overtime that is primarily the problem," said Levy. "It's the overtime garnered legally via outrageous contractual provisions and convoluted work rules."

SEE ALSO
Longtime aide in Queens DA office entitled to $319K pension

For public workers hired after April 2012, the amount of OT that can count toward a pension is capped at 15 percent of their base salary, thanks to a state law passed in 2010.

But Levy said those savings are likely to amount to too little, too late, and called on Albany to pass legislation stopping OT from factoring into pensions entirely.

John Samuelsen, president of the Transport Workers Union — whose members include MTA workers — said cuts to his constituents' pensions were a non-starter.

"The retirement security of working people is constantly under attack, and ironically in this instance by a rich suburban lawyer who was chased out of public service for ethics violations," said Samuelsen of Levy, who in 2011 agreed not to seek re-election amid a probe into alleged fundraising misuse.

"He should give up his own public sector pension before he tries to target ours," added Samuelsen.

Levy, who was never charged with a crime and said that his $70,000 pension is not inflated by "a dime in overtime," added that without belt-tightening, no one will be able to benefit from pensions.

"The point is I want the pensions to be there for everyone," he said. "If the pension system collapses, everyone will take a haircut."

FILED UNDER OVERTIME, PENSIONS, 12/22/19

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Center's call for Fiscal Control Boards and Pension Reform being echoed by other commentators.

For quite some time, our center has been advocating that governments on the brink of financial insolvency be taken over by state authorized fiscal control boards.

These boards have authority to deal with extravagant pensions, archaic work rules and uncontrolled spending within these governments. Many elected officials either lack the resolve or the authority to make the type of structural changes that are necessary to protect taxpayers.

Our position is starting to catch on. Over the last couple of weeks there have been three articles in major publications advocating for similar reforms.

1.....An article from E.J. McMahon, of the Empire Center for Public Policy, noted how New York City should bring back its once used fiscal control board.

https://www.manhattan-institute.org/experts-how-to-save-new-york-city-post-coronavirus

Said McMahon:

> To win concessions, the mayor needs leverage – and he can get it from the state financial control board created in the mid 70s to deal with the city financial crisis and still in existence as a background watchdog...As former Mayor Ed Koch recognized, the FCB can be a mayor's best friend, by ordering bigger budget cuts than politicians have the nerve to suggest in public.

2.....A second article, from Brian Westbury, the chief economist of First Trust Advisors, was published in Real Clear Politics.

https://www.realclearpolitics.com/articles/2020/09/09/policies_that_will_help_us_dig_out_of_massive_debt_144153.html

The article echoed commentary we made two months ago about state bailouts in the era of COVID-19. It's understandable that governments are losing a great deal of revenue and federal assistance is necessary, but it should come with conditions. Those receiving the aid should be required to restructure.

That includes a shifting from a defined benefit pension to a defined contribution pension system.

Westbury opined:

> If Washington DC made these changes a requirement to receive a bailout, it would help offset the financial burden federal taxpayers are being asked to shoulder. Any bailout should come with conditions. Even the bailout of banks in 2008 and 2009 came with conditions. Why wouldn't states be required to do the same?

3……And finally there was an article by Ryan Fazio, a senatorial candidate in Connecticut.

https://nypost.com/2020/09/12/democrats-are-ignoring-the-single-biggest-threat-to-their-states/

He echoed the suggestions in our 2019 white paper on overtime by stating: "State workers should not be able to add ballooning overtime hours to their salaries at the end of their careers to calculate future pension payments."

We will keep speaking out on these issues. It looks like our clarion calls from years ago are starting to make headway.

Sincerely,

Steve Levy

Free Network Event

Center for Cost Effective Governance (costeffectivegov@gmail.com) Th

To: you Details

CENTER FOR
Co$t Effective
GOVERNANCE

Free Networking Meeting on November 25th
Free buffet, cash bar

Join us for a free networking event with our Center for Cost Effective Governance to be held at T.O.A. restaurant in Sayville on November 25th from 6 PM to 8 PM.

A small, free buffet will be provided. Cash bar.

We will be discussing the issuing of our upcoming white paper that will expose the enormous cost the taxpayers will bear if overtime continues to be factored into calculating public sector pensions. Our proposed solutions will also be discussed. Don't miss it.

CENTER FOR
Co$t Effective
GOVERNANCE

December 23, 2019

"NY must diffuse the pension/overtime time bomb or face fiscal collapse"
By Steve Levy

By now, most are aware that factoring overtime into public sector pensions is crushing taxpayers, but few have calculated how devastating this impact will be over the next two decades, as hundreds of thousands of current employees prepare to retire. A report issued by the Center for Cost Effective Governance brings those devastating numbers to the forefront.

Unless the state legislature changes the law allowing overtime to be factored into pensions, New York State taxpayers will be on the hook for over $50 billion over the next 20 years, just to pay for the parts of these pensions that are enhanced by the overtime inclusion. That figure leaps to an astounding $84 billion when adjusted for inflation.

Stated another way, if Albany would simply pass a reform eliminating overtime from pension calculations, taxpayers could save up to $84 billion. That's more than one and a half times the MTA's capital budget plan.

We've all heard the horror stories. The most recent was the Empire Center's expose' of a Long Island Rail Road employee earning $344,000 in overtime in his last year to inflate his annual pension to a whopping $162,000.

And earlier this year, the New York Post reported that a Nassau police officer earned $85,000 in overtime to wind up with a $179,000 pension.

As far back as 2010, the New York Times reported that more than100 police and fire pensioners in Yonkers were earning more in retirement than they were as active officers because overtime jacked up their final salaries.

Almost a decade ago, Albany enacted a new Tier 6 retirement category that would limit overtime to no more than 15% of base pay being factored into pensions. Sounds good, but, unfortunately, we won't see any savings for a couple of decades, since it only applies to employees hired after April 2012.

Over two-thirds of current employees in the State Employee Retirement System and 74% of the Police and Fire Retirement System were hired before that date and will continue to have overtime inflate their pensions. If this trend continues, we may be bankrupt before we see the first dime of savings from the Tier 6 reform.

We examined Nassau police officers who retired in January 2018. We listed their base pay, the overtime they earned in 2017 - which averaged $37,000 - and their final pensions.

Employees generally receive pensions that are 50 to 60% of their highest average three-year earnings. Police officers and firefighters on disability pensions - and there are lots of them - will receive 75%.

To be conservative, our Center assumed each individual would retire at just 50% of their averages. That equates to an annual $2.4 million cost for just one graduating class of 130 officers. But the average lifespan for these officers retiring at 55 is 25 years, and more if they retire earlier after just 20 years.

Over the lifetimes of these retirees, taxpayers will incur an additional $60 million, just because overtime was included in these calculations. But remember, there will be 25 more classes of retirees over that span that will amount to a jaw-dropping $783 million - not including wage inflation or the annual raises tied to the CPI once the employee retires.

We, thereafter, did the same calculations for police officers and firefighters outside New York City. The retirement of these 34,000 active members will result in an additional burden of $5.14 billion over the next 20 years.

And there are still over 600,000 active employees within the state retirement system outside of police and fire employees, or the teaching profession. Then, there are over 200,000 non-uniformed New York City employees. Figures provided by the Empire Center note an annual average overtime of $11,599 per individual approaching retirement. This seems small, but when half of that amount is added to such a large number of pensions, the additional burden over 20 years will balloon to $5.78 billion for the City retirees and $24.8 billion for state system.

The extra pension costs attributable to overtime for other New York City departments over the next 20 years were also analyzed: Police ($6.74 billion), Fire ($1.05 billion), Sanitation ($567 million), Corrections ($3.15 billion) and the Port Authority ($888 million). The cost for the MTA would be $5.69 billion.

The total cost for all employees, including others not listed above, due to overtime being factored into their pensions, amounts to an inflation adjusted $83.9 billion.

This taxpayer obligation can be eliminated if state legislators pass resolution A5361, introduced by Assemblyman Michael Fitzpatrick. Scholars are divided as to whether a constitutional amendment would be needed to enact this reform for present employees, but even if it were, Fitzpatrick has a companion bill that would amend the Constitution, erasing any doubt.

Officials hesitant to alter the system must remember that reforms will actually help ensure that the pension fund remains viable for future retirees. We already know what failure to act will lead to. Just look back to the municipal bankruptcies in Detroit and San Bernardino. The time to act is NOW.

Steve Levy is Executive Director of the Center for Cost Effective Governance. He served as Suffolk County Executive, as a NYS Assemblyman, and host of "The Steve Levy Radio Show." www.SteveLevy.info, @SteveLevyNY

Free Center network meeting on state session

Center for Cost Effective Government (costeffectivegov@gmail.com)

To you Details

Volume XX | Month Day 20XX

CENTER FOR
Co$t Effective
GOVERNANCE

May 16th, 2019

- Next Center Network meeting discusses the $344K OT railroad emplc and how we can stop it
- Recap of NYS legislative session by Senator Boyle
- Free Center networking buffet (cash bar)

Hello Steve,

The next meeting of the Center for Cost Effective Governance will be on Monda June 24th at 6:00 - 8:00 pm at TOA Restaurant on Main St. in Sayville. Please nc not at our usual site of Madison Steak House in Hauppauge.

Our guests will discuss the outrageous overtime being racked up by MTA and government employees, and how these abuses have led to taxpayers footing the l six figure pensions. We will be discussing our efforts to prevent overtime from b factored into pension calculations. Come to our meeting to enjoy a delicious spre network with other business folk, and join us in our fight.

We hope you can attend.

RSVP at costeffectivegov@gmail.com

Sincerely,

CHAPTER 3
USE OF PART-TIME POLICE
MAKING VILLAGE POLICE DEPARTMENTS MORE EFFICIENT

Our center has been at the forefront of exposing the inefficiencies inherent in many of our statewide programs and institutions. Municipal unions in New York State are among the strongest in the nation and many say they are the tail that wags the dog in state government.

Their power has brought us the concept of mandatory arbitration for law-enforcement personnel in the state, and as a result, some salaries for personnel that exceed $200,000 a year. This is so not only in major counties, but now in sleepy villages with very little crime as well.

We looked at the village of Northport in Suffolk County in New York State to see why so many in Why yeah no do you have more I feel a lot of them out yesterday I wanted on it I will their departments were earning such lofty salaries. Our investigation noted that in the department of 25 employees, over to 10 of them were earning an excess of $200,000 a year and 17 were earning over $175,000.

Few people realize that even these small villages come under the umbrella of the New York State Taylor Law and it's mandatory arbitration provisions. Thus, if management is intent on keeping salaries under control, the union will simply petition the arbitrators, who usually provide outlandish salary and benefit increases for union members.

This is so even though Northport Village saw only seven violent crimes over the course of the year. So the question that must be asked is why a small village needs this many full-time, highly paid officers.

We looked into the concept of replacing some of these high priced full-timers with part-time officers. These wouldn't be recruits pulled off the street. They would be primarily officers who are retired from neighboring New York City after 20 years of service. This is so even though Northport village saw only seven violent crimes over the course of the year.

Many of these individuals are looking for part-time work on the side. They are allowed by New York State law to earn up to $30,000 a year in another municipal job.
Hiring retired officers for 18 hours a week in lieu of one full-timer, can save the village tremendously.

The total salary for the two part timers would be 1/3 of what is paid to a single full timer. Moreover, there would be no payments made for health benefits or pension contributions, since the retirees are already receiving them.

We calculate that taxpayers will save about $5 million a year by employing this practice. That amounts to a saving of over $600 per household, just for their police service.

REDUCING POLICE COSTS IN LONG ISLAND VILLAGE GOVERNMENT: THE CASE FOR USING PART-TIME POLICE

Switching to part-time police system in Northport can save over $600 per household

It is no secret that taxes on Long Island are amongst the highest in the nation. There are many reasons for this phenomenon, including a myriad of overlapping taxing districts.

Certainly, the high cost of government personnel, particularly in the law enforcement arena, is a major driver of higher property taxes. Personnel costs usually comprise 60 to 70% of a jurisdiction's operating budget. In general, where these personnel costs are relatively low, property taxes tend to be lower. To the contrary, where these costs are above the norm, there is tremendous pressure on property taxes to float higher.

States and regions with stronger special interests, particularly powerful municipal unions, tend to have the highest personnel costs. These costs reflected not only in salaries, but in health benefits, pensions and burdensome work rules and regulations. Consequently, states with the most free-spending legislatures and most powerful municipal unions tend to have the highest taxes. New York, California, Illinois, New Jersey, and Connecticut are such examples.

In the state of New York, and especially Long Island, unions and special interests are extraordinarily powerful. The two unions with the most clout are the police and the teacher unions.

These unions have been successful in negotiating very generous contracts for their members and in pressuring state legislators to impose laws, rules and regulations that handcuff local management in negotiations.

For instance, the state legislature imposed a concept called the Triborough Amendment upon local schools and governments. It is a uniquely New York law that came into existence in the 1980s, after a case brought against the Triborough Bridge and Tunnel Authority determined there was no need to continue to pay municipal workers step salary increases even after the contract has expired. The unions successfully lobbied state legislators to pass an amendment to that Triborough decision, so that the steps would indeed continue even after the contract ended. The amendment basically overruled the court decision. Local managers claim this rule severely limits their ability to obtain concessions from the union. Workers can simply "wait it out", because the membership continues to get not only their contractual pay, but the two to four percent salary increases incorporated in the steps.

The police unions were equally, if not more impactful in scoring legislative triumphs when it secured the concept of Mandatory Arbitration as part of the landmark Taylor Law in the late

1960s. The Taylor Law was enacted as a response to devastating municipal strikes that nearly crippled New York City during the tenure of then Mayor John Lindsay. A deal was cut to avoid future work stoppages: strikes continued to be illegal, but as a tradeoff, contract disputes would be sent to independent arbitrators, whose decisions would be binding on all parties.

It seemed like a reasonable compromise at the time. No one back then could have envisioned how this apparently innocuous provision would decades later lead to enormous tax increases in those jurisdictions where the concept applies.

The law gave counties the discretion as to whether to opt out from the umbrella of the Mandatory Arbitration parameters if they passed a labor law of their own on the local level. While law enforcement unions in Long Island's Nassau and Suffolk counties had to deal with Mandatory Arbitration for many decades, New York City did not. It wasn't until 1998 that New York City police finally came under the auspices of Mandatory Arbitration. This was the main reason why salaries for officers on Long Island so quickly outpaced the salaries for police in New York City, despite the fact that the city is generally recognized as the more risky area to patrol.

Before the city embraced arbitration, the mayor's office maintained significant control over the eventual salaries. However, county executives on Long Island would see their authority ceded to independent, unelected arbitrators as soon as the union decided to send the matter to arbitration. Usually, it did not take long for the union leaders to realize that the best deals they would get would come from the arbitrators.

While, theoretically, arbitrators are independent and have no "skin in the game," the reality is that they also have no accountability to the public. They do not face re-election after they give an overly generous contract to the union, as would the elected officials.

More than anything else, arbitrators want to make sure that they are called upon for the next arbitration. If they play it too tough, it is unlikely the union would agree to use them again. On the other hand, if they give the store away to the union, elected officials would be able to simply blame the arbitrator for the increases, believing the public would not hold the officials accountable.

Additionally, one cannot forget the politics involved. In the private sector, a negotiator for management would be in legal jeopardy if he were to take money from the union he was negotiating against. In the public sector, however, it is perfectly legal and generally accepted.

Professor Dan DiSalvo, a Senior Fellow at the Manhattan Institute, summed up this concept in the title of his book, *Government Against Itself*. The negotiation process in the public sector is actually set up with conflicts run amok and taxpayers placed in a weakened position before the talks ever begin.

Elected officials on one side of the table often want to placate the unions on the other side. They have usually taken money and endorsements from those very same unions who can be termed "adversaries." It is often in the best political interest of the county official to let the dispute go to arbitration, while putting up very little fight. This ingratiates them to the union and keeps the elected official off the hook for the huge increases that may be handed down by the arbitrator.

Taxpayers are on the short end of the stick not only because their representatives are compromised by union donations, but also because the union leadership is allowed to take leave from their regular government jobs to concentrate solely on lobbying for higher wages and benefits. In Suffolk County government alone, the taxpayer subsidy for union leave equates to approximately $3 million annually.

What an irony: taxpayers actually pay union leaders to have more time available so they can lobby against taxpayers and raise their taxes even further. Of course, in the private sector, union leaders are paid from union dues. The Center for Cost Effective Government is presently engaged in a lawsuit to have this taxpayer subsidized “union leave” declared an unconstitutional gift of public funds to a private entity.

DiSalvo stressed how counterintuitive it is that Union leaders, paid for by the public taxpayers, meet with elected managers, supposedly representing the taxpayers, but having just accepted donations from their union adversaries. They are refereed by arbitrators who are supposed to be honest brokers.

While technically there is a provision that supposedly gives guidance to arbitrators in setting their awards, they are nebulous and subjective, and very difficult to enforce. One of those provisions states that the arbitrator should have to keep the taxpayers' ability to pay in mind, but how does one define that?

Over time, we saw that one of the easiest ways for arbitrators to set an award was to simply compare the figures to most the recent awards granted in the neighboring county. Thus was born the infamous "leapfrogging" effect. If a four percent yearly increase was granted to Nassau's union, a five percent hike might be issued to Suffolk a year later. When the Nassau contract expired, the arbitrator would look back to the last Suffolk award.

Local and state officials are keenly aware of how devastating the Mandatory Arbitration laws have been to local taxpayers over the last several decades, yet there are very few who muster up the courage to seek to reform this taxpayer albatross. In fact, the Mandatory Arbitration law would expire if a majority of the state legislature decided one year that they will simply not renew it. Since its inception the bill has been be extended for two-year periods. It is more common than not that the renewal passes the Senate in unanimous fashion, while the Assembly may get one lone dissent. Such is the enormous power of police unions in our state.

Arbitrators have not only been remarkably generous with salary and benefit enhancements, but have also been quite accommodating in granting extraordinarily elaborate perks that crush taxpayers.

For example, Suffolk arbitrators have signed off on granting police personnel up to 100 paid days off per year: 26 sick days, 5 personal days, 25 "X" days (extra days off in between shifts), six weeks' vacation and 13 paid holidays, and more.

More alarming has been their acquiescence to union requests to allow for the banking of unused sick and vacation days, whereby employees who don't use all their allotted days off can receive payment for them upon retirement. Unfortunately for taxpayers, the employee is paid not what the salary was twenty years ago when the day was available, but instead at the salary the employee is making at the time of retirement (which could be five times what the per diem rate was back then). This is one of the reasons we saw a retiring member of the Westbury Village Police Department walk away with a termination package exceeding $1 million. Included in the package was $320,000 for 275 unused sick days. Also included was $231,000 for 201 vacation days, to go along with his final year salary of $285,000. His yearly pension would amount to approximately $170,000.

It should be noted that such outrageous banking of sick days did not materialize in the New York City's force. There, officers get unlimited days to use if they, through their doctors, can prove those sick days are needed, but they either use them or lose them. No six figure payouts for banked sick days. What distinguishes the city contract from Nassau and Suffolk's? The latter two had Mandatory Arbitration, while the city did not.

What is surprising to many is that Mandatory Arbitration applies not only to the county level of government, but also to the setting of salaries for the over ninety villages on Long Island. Some of the villages, such as Hempstead, are quite large and of mixed demographics, including a large low income, high crime sector. But most villages are of higher income and are among the safest communities in the state. Violent crimes are very rare. Village police do not for the most part engage in investigating murders, arson or other crimes requiring extensive detective units. Those investigations are contracted out to the county departments. So, the question surfaces as to why a relatively sleepy, quaint village would necessitate the hiring of a large contingent of full-time officers.

There are obvious advantages to having a village police unit, including the ability to gain greater control over how officers will be deployed. But other than controlling speeding vehicles and maintaining an obvious patrol presence, it is hard to comprehend why the same low crime rate couldn't be maintained with a more efficient, and far less expensive, allocation of police personnel. The crime rate in Northport Village is 3.56 per 1000, compared to the 10.92 per 1000 for the county at large.

It is for that reason that our Center explored the concept of switching to part-time, retired police officers in villages on Long Island, as a substitute for costlier full-timers who fall under the purview of Mandatory Arbitration laws.

A full-timer's salary can exceed $175,000, and the overtime built up in the last years can result in pensions totaling well into the six figures. Part-time retired officers would be capped by state law as to how much they can earn from another state or local government and would not need health benefits or pension contribution.

The crime rates are so low in these villages that many believe these highly trained part-timers could do a more than adequate job and save a fortune for local taxpayers. We are continuing to look into the legality of what options are possible. Ultimately, there would have to be the political will for the village boards themselves to pursue any potential cost savings.

Along these lines, the Center for Cost Effective Governance conducted an analysis of police costs in Northport Village in Suffolk County.

The conclusions of our analysis are as follows:

Northport Village has an overall budget of $17,675,672 million for fiscal year 2018.

Its budgeted funding for police related matters totaled $4,247,033.39. The actual expended fund exceeded this original budget estimate. The amount for all public safety was $6,222,723.

There were 17 full time police personnel in the 2018 budget and 2 part time workers.

Of the 17 full-timers, 8 officers earned over $200,000.
12 (including the 8 listed above) earned over $186,000,
The lowest salary a for full-time officer was $102,000, and the highest was $242,256.91.

The total amount for salaries for police personnel was $1,952,285.

Overtime totaled $416,570.99.

One of the reasons overtime is so high is because the contracts are quite generous with days off and limits on workloads.

This does not include additional sums that must be allocated for healthcare and pension contributions for these employees.

Each individual healthcare plan amounts to approximately $25,000 per employee.
Multiplying that figure by the 17 full time employees amounts to a total outlay of $425,000.

New York State requires a pension contribution of approximately 25% of the employee's salary to cover for pension contributions. 25% of the total police salary equates to approximately $488,000.

Village residents could save a great sum of money were they to convert to a part-time police force utilizing retired officers from New York City or other police forces on Long Island.

New York State law caps the government salary for a retired employee within the state system to $30,000 per year.

The village would be able to tap many retired officers—particularly those from New York City who have lower pensions than their Long Island counterparts—to work on a part-time basis. The town could hire two part-timers at 18 hours per week to cover for the service that would have been provided by a single full-time officer.

34 part-timers earning $30,000 apiece would cost the village $1,020,000.

If we brought their salary to $40/hour, which is common in other villages, there would be an additional $222,768 in cost incurred. That amounts to a total of $1,242,768 for these part-timers.

The $60,000 paid to these two officers would be significantly less than the $200,000 salaries that many of these officers are accumulating.

The savings on salary alone equates to $709,517.

Since neither health benefits nor pension contributions would have to be made by the village, an additional $913,000 would be saved. Total savings to the village would exceed an astounding $1,622,517.

There are 2,700 taxable households and businesses in Northport Village. A savings of $1,622,517 for this set of taxpayers would equate to a saving of 601 per household.

Pay Year: 2019

Agency: Northport

Branch/Major Category: Villages

THIS SEARCH: 20 RESULTS

TOTAL: $3,546,086

Name	Employer/Agency	Total Pay
Hayes, Peter M	Northport	$277,309
Cook, Michael T	Northport	$264,375
Endee, Thomas B	Northport	$255,690
Herfurth, Jon-Todd C	Northport	$249,465
Ricca, William L	Northport	$240,645
Hughes, Christopher J	Northport	$239,546
Bakker, Alan M, Jr	Northport	$234,773
Ramonetti, Robert J	Northport	$231,495
Golub, Steven R	Northport	$230,926
Kerekes, Stephen J	Northport	$228,667
Gigante, Michael J	Northport	$225,368
Howard, Peter J	Northport	$211,232
Cerar, Gregory R	Northport	$183,201
Bruckenthal, Matthew D	Northport	$166,449
Sagistano, Sean R	Northport	$137,108
Humphreys, Devin N	Northport	$119,244
O'Brien, Patrick G	Northport	$20,190
Pyne, Douglas J	Northport	$20,190
Humphreys, Thomas A	Northport	$8,845
Boyzok, John T	Northport	$1,367

Source: https://www.seethroughny.net/payrolls/144528223

VILLAGE OF NORTHPORT

NAME	OT FOR 2018
BAKKER, ALAN	19,170.35
BRUCKENTHAL, MATTHEW	22,228.93
CERAR, GREGORY	31,937.89
COOK, MICHAEL	26,815.06
ENDEE, THOMAS	25,132.89
GIGANTE, MICHAEL	30,340.25
GLOZEK, JAMES	4,000.44
GOLUB, STEVEN	38,519.73
HAYES, PETER	66,820.10
HERFURTH, JON-TOD	25,024.58
HOWARD, PETER	20,291.82
HUGHES, CHRISTOPHER	24,558.37
HUMPHREYS, DEVIN	14,654.26
KEREKES, STEPHEN	22,525.68
O'BRIEN, PATRICK	-
PYNE, DOUGLAS	-
RAMONETTI, ROBERT	33,570.85
RICCA, WILLIAM	-
SAGISTANO, SEAN	10,979.79
WEBER, DAVID	
	416,570.99

Source: Village of Northport

VILLAGE OF NORTHPORT

NAME	2018 SALARY
BAKKER, ALAN	216,312.79
BRUCKENTHAL, MATTHEW	139,205.72
CERAR, GREGORY	144,086.08
COOK, MICHAEL	234,947.98
ENDEE, THOMAS	226,829.95
GIGANTE, MICHAEL	192,690.38
GLOZEK, JAMES	189,419.29
GOLUB, STEVEN	191,705.66
HAYES, PETER	206,790.95
HERFURTH, JON-TOD	219,934.11
HOWARD, PETER	186,196.69
HUGHES, CHRISTOPHER	211,929.57
HUMPHREYS, DEVIN	102,035.35
KEREKES, STEPHEN	206,616.64
O'BRIEN, PATRICK	8,526.72
PYNE, DOUGLAS	8,526.72
RAMONETTI, ROBERT	198,999.90
RICCA, WILLIAM	242,656.91
SAGISTANO, SEAN	123,054.52

Source: Village of Northport

Former Suffolk County Executive Suggests Villages Replace Full-Time Police Force With Part-Time Retired Officers To Save Taxpayers Money


1 Photo

Greg Wehner on Mar 17, 2020

Former Suffolk County Executive Steve Levy last month proposed a way for villages with independent police departments to cut costs: hiring part-time retired police officers.

Mr. Levy, now the president of the Bayport-based Common Sense Strategies, a company that provides help to government entities and private businesses in efforts to cut costs using different strategies and techniques, admitted it might be difficult to garner support for the plan.

A study on the Village of Northport conducted by the Center for Cost Effective Governance found that village residents there could save an average of $600 per year in property taxes if they switched from a full-time police force to one made up of part-time retired officers.

The study determined that villages are subject to mandatory arbitration the same as county entities like the Nassau and Suffolk county police departments. This means that independent arbitrators step in to settle negotiations between unions and municipalities, and, traditionally, the arbitrators lean in the direction of the unions, according to the study.

This affects the taxpayers, the study found, as they foot the bill to pay the resulting six-figure salaries.

Although the study focused on the Village of Northport, Mr. Levy said, the same study was done in Rockville Centre and Long Beach, and the numbers are similar.

"What you'll find is most of these villages are in a similar range of salaries and benefits because they're all subject to mandatory arbitration, and that's the state law," he said. "What we found is most of the villages with full-time police departments are stacked with officers making in the high hundred thousands, and many earning over $200,000 per year. The thing is, most of these villages are low in crime, not all of them ... but if you look at Northport, the crime rate was one-third to one-half the Suffolk County average."

On the South Fork, there are five villages with full-time police departments: Westhampton Beach, Southampton Village, Sag Harbor, East Hampton Village and Quogue.

Each week, The Press combs through police reports for felonies and misdemeanors, and between the villages, a handful of incidents are reported, with nearly little to no major crimes. Mr. Levy said that begs the question of why these departments pay their police officers six-figure salaries.

"If all you're looking for is a presence for deterrent, why would you pay a full-time officer $200,000 per year when you can get two retired officers, capped out at $30,000 per year apiece, to do the same thing?" Mr. Levy asked. "On top of that, you wouldn't have to pay into the pension system or the $25,000 in health benefits for those officers. So you're saving a tremendous amount of money.

"It simply is not justifiable to have these incredible salaries for these low-crime areas," he added. "These guys are not pursuing gang bangers and murderers or rapists. Most of the stuff are minor offenses that they're dealing with."

As county executive, Mr. Levy said, he saw how expensive it was to pay for a police department, and when looking for savings in the budget, that was typically the first place he looked.

He said there were several inefficiencies, such as officers working double shifts and "phenomenal amounts" of overtime that was racked up during an officer's last few years to artificially inflate their pension.

One of the things he did as county executive was to bring civilians into the police department, replacing officers serving as public information officers, making $200,000 per year, with civilians making $40,000 per year.

"We did this up and down the department and saved millions," Mr. Levy said. "Then we read of some of the problems many of these villages were experiencing, trying to make their payroll, and the biggest problem was in the police district."

The explanation he gave was they were subject to mandatory arbitration. Once a contract goes to mandatory arbitration for a final decision, the managers lose control, according to Mr. Levy, and the arbitrators notoriously give the store away.

Instead, Mr. Levy blamed the elected officials who allow the "broken system" to perpetuate.

"It's not an easy lift to get this done, but taxpayers want to rise up and ask, 'Why am I spending an extra $600 per year when I don't have to?' Maybe there will be a call for change," Mr. Levy said.

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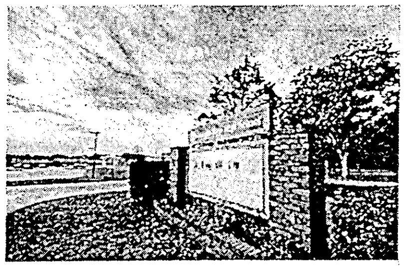
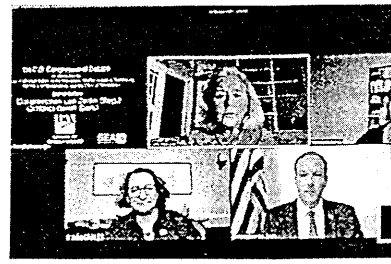
Southampton Schools Incorporate Live Interaction Into Remote Learning Plan

Southampton Union Free School District's remote learning model has been revamped. Administrators unveiled new Google ...



COVID-19 Cases Reported At Many South Fork Schools Since Classes Resumed

Of 16 public school districts spanning the South Fork from Montauk to Eastport-South Manor, nine ...



Zeldin, Goroff Trade Views And 'Fact' Attacks In Virtual Debate Monday

The first debate between U.S. Representative Lee Zeldin and his challenger Dr. Nancy Goroff laid ...

In Quogue, he said, the village aims to hire very high-quality officers, which, he added, they have succeeded in doing.

"There are not a lot of murders and the like, but the job is far from cushy, and our officers provide excellent service to our residents on all police matters and medical calls, in particular," he said in an email. "I do not think that it is realistic to expect anything close to the same level of service using a bunch of part-time officers."

Mr. Sartorius said retired officers would need to pass yearly physical examinations to remain accredited, which as a result, may limit the pool of individuals the village would want to hire.

He also said the Village of Quogue and other jurisdictions signed an agreement that limits the ability to utilize part-time officers.

Southampton Village Mayor Jesse Warren said he has not seen Mr. Levy's proposal, but noted it was not a new idea.

In fact, Mr. Warren said it's something that has been floated before in the village, but because of the unions, it would be difficult to implement.

"We have our union contracts in place," he said, adding that the village has to adhere to whatever is in the contract. "On face value, it's nice, but it may not be practical, and we also want to make sure we prioritize our unions as well."

Mr. Warren stressed that having a good police force was important, and he boasted that Southampton Village has a strong police department and a low crime rate. The two, he added, go hand in hand.

Chief Michael Tracey in East Hampton Village said his department utilizes part-time employees currently, though none of them are retired-police officers.

When he joined the police force in the early 1980s, Chief Tracey started out as a part-time employee with aspirations of becoming a full-time police officer.

Several of the part-timers the department has, are individuals with similar aspirations.

But hiring part-time retired officers, he said, has limitations put in place by Suffolk County. Additionally, the accreditation, like in Quogue, is a critical element that could jeopardize a retired police officer's ability to serve.

CENTER FOR
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GOVERNANCE

February 24, 2020

Study says Northport Village residents can save $600 per household by switching to part time cops.

A new study conducted by the Long Island-based Center for Cost Effective Governance has concluded that Northport Village residents in Suffolk County can save an average of $600 per year by switching from the full-time police force to a force employing part-time retired officers.

Exposes over the last several years have highlighted the enormous costs inherent in many local village police forces, where salaries often exceed $200,000 in communities that have crime rates 1/3 that of the county at large.

The Center suggests that one reason for these high costs is that these villages, like Nassau and Suffolk County police departments, are subject to mandatory arbitration. Thus, when there is an impasse between the union and management, the salary and benefits are determined by an independent arbitrator. The Center opines that arbitrators have traditionally swayed in the direction of the union to the detriment of the taxpayer.

The analysis, which was developed with data obtained via freedom of information request from the village, shows that in 2018 there were 19 employees in the police department, with 17 full-timers and two part-timers.

Eight of the officers earned over $200,000.

12, including the eight listed above, earned over $186,000.

The lowest salary for a full-time officer was $102,000, while the highest was $242,256.

Police related costs totaled $4,247,000,033.

The village's total budget was 17,675,000 $672 million for fiscal year 2018.

Overtime totaled $416,570.

Given the fact that the Northport crime rate was only 3.5 incidents per thousand compared to 10.92 incidents for the county at large, the Center concludes that a force consisting of part-time retired police officers could easily accommodate the needs of the residents and the businesses. The cost savings, however, would be significant.

According to the Center's Executive Director, former Suffolk County Executive Steve Levy, a part-time retired police officer is limited to earning $30,000 per year from another municipal government. However, two part-timers could do the job of one full-timer, who might be earning close to $200,000 in salary.

Added to the cost is the fact that full-timers are receiving healthcare benefits that equate to approximately $25,000 per annum. The village must also contribute approximately 25% of that police officer's salary and benefits to the police pension fund. Retired officers are already receiving their healthcare benefits and pensions from their previous jobs, would not need to tap those costs from the village.

Pension and health care savings accrued by the village would amount to $913,000 per year.

Additionally, the Center notes that the village would save an additional $709,515 in lower salaries paid to the part-timers as opposed to the full-time officers. The total savings to the village would be an astounding $1,622,517. Given that Northport has 2,700 taxable households and businesses, each taxing entity would save approximately $600 per year.

Levy noted that there would be push back by unions against changes to the status quo. He stated that a village could disband its police department and start from scratch with the part-time officers. The officers are trained and could be scheduled more efficiently. "This is an easy way for village residents to receive the same service at a much lower cost," said Levy.

CHAPTER 4
PROTECTING THE INTEGRITY OF OUR ELECTORAL PROCESS.

Our center was way ahead of the curve alerting the public to the threats to America's electoral integrity. Years ago we warned about the potential problems related to electronic voting systems. Not only were they enormously costly, but they were a solution to a problem that did not exist.

Our reliable, proven lever voting machines were inexpensive and hack proof. The move to electronic machines, via the Help America Vote Act (HAVA) after the hanging chad debacle of the 2000 presidential election, was an enormous overreaction.
U.S. intelligence officials believe that Russia sought to manipulate our voting infrastructure. Even though there is no evidence of them successfully doing so, it is feared they and other hostile actors, including China and Iran, will continue to do so in the future.

The pitfalls of electronic voting were accentuated in the Iowa Democratic Primary in 2020. A new app that was utilized with the intention of making voting easier, actually created enormous problems. The results of the elections were delayed for days. The bottom line is that new or isn't always better.

Now there is an effort to dramatically expand the amount of mail-in voting. We've warned that this also can present potential problems. Over 500,000 ballots were disqualified in a 2020 primary election season. Ballots that are not signed correctly, postmarked too late, or never arrive, will not be counted, leading many Americans to question the legitimacy of the outcome.

Our analysis provides many suggestions for making voting more available to all of our eligible residents, while still maintaining the integrity of the vote.

Our center was also out front in supporting the replacement of the "At Large" system for electing town council members, with a new "Councilmanic" system. At-large districts require that council members be elected from residents throughout the entire town. The councilmanic system elects representatives from a particular geographic region of the town. The at-large system requires a candidate to have far more money to get his or her message out and can make the candidate more beholden to party leaders and special interests. We believe that the councilmanic system is much closer to the people.

In one New York town, Islip, the at large system has hampered the ability of minorities to be adequately represented. The town has a population of over 300,000 with minorities constituting approximately 1/3 of the total count. Yet, in the history of the town, there's been only one African-American elected to the town board. There has never been a Hispanic elected to the board. This resulted in a civil rights lawsuit brought by advocacy groups. Eventually the town settled and there will, for the first time, be a councilmanic district representing the minority population in the town.

The center has also been supportive of a fairer district redrawing process that will remove the gerrymandering presently promoted by entrenched politicians, and replace it with an independent non-partisan board that can redraw district lines.

Tags: 2020 Elections | Cybersecurity | caucuses | hava | clinton | price

The Iowa Voting App? Newer Not Always Improved

Iowa Democratic Party headquarters in Des Moines. (Alex Wong/Getty Images)

By Steve Levy
Thursday, 06 February 2020 10:11 AM
Current | Bio | Archive

Serves them right! The high-tech wizards who are possessed by

In my August 10, 2019 article ("We can easily prevent election hacking . . . ") published on Foxnews.com, I highlighted the folly of technology obsessed gurus forcing taxpayers to spend hundreds of millions of dollars to convert perfectly fine voting systems into a confusing, expensive and potentially hackable election nightmare.

You won't recall major delays in 2016, when old fogeys tabulated votes the old-fashioned way — by counting hands and paper ballots, and calling in the results in a relatively prompt fashion. It afforded candidates the opportunity to get a needed bounce, or to at least mitigate pending disaster.

Observers around the country were able to go to bed knowing who won, and donations would start to flow at a rapid pace to those exceeding expectations.

Ironically, it was reportedly techies from the Clinton campaign who developed this special app, which was supposed to speed the process, while allowing for a voter's first choice to be announced, along with his or her final vote.

This was the same group that put so much faith in algorithms in the 2016 general election, that they felt emboldened to discontinue polling in the last few weeks of the election in crucial mid-western states.

They patted the "old dinosaur" Bill Clinton on the head with an "OK, boomer" condescension, claiming his insistence on going more grassroots in these key states was an obsolete tool.

These new, elaborate and so-called "state-of-the-art" electronic systems are being hyped, in part, by techies seeking to prove their worth, and, in part, by companies seeking to make a fortune by selling their wares.

Case in point was the mandate imposed by the Help America Voting Act (HAVA) to disregard the proven lever machines and paper ballots for the new and improved electronic contraptions.

All this did in New York was cost state taxpayers over $200 million and force the county I represented to expend $1 million to construct a wing to our Board of Elections so we could house the new machines in a climate-controlled setting.


Tom Borelli
Rational Analysis
Team Biden-Harris Timeline Exploits COVID For Political Gain


Rob Schmitt
Just Like That, Media Rolls Over Then Dies

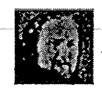

Clarence V. McKee
The Silent Minority
Black Support: Trump's Silent, Secret Weapon for Nov. Win


Christine Flowers
View From Philadelphia
Speaking Out on Abortion Exposes Inconvenient Truths


Larry Bell
On Point
Americans Need the Full Story on Biden Dealings - Now


Ralph Benko
Opulence Through Capitalism
A Spooky Halloween Tale of Democratic Capitalism


Steve Levy
Common Sense Corner
Trump Can Overcome Personality With Focus on Policy in Next Debate


David Gornoski
A Neighbor's Choice
Ethiopian Emperor's Grandson Warns African Americans: Marxism Leads to Murder


Patrice Lee Onwuka
New Agenda for Black Women
Defunding Police a Non-Starter That Won't Prevent Shootings


Michael Dorstewitz
Firing Range
Is the Next Debate Now Rigged Against Trump?


David Nabhan
Shaking Up Science
Unprecedented Ozone Hole Forms and Then Closes in 2020


Dr. Laura
Family Matters
Yes, It's Possible to Give Thanks in a Thankless Year


George J. Marlin
Street Corner Conservative
How to Save New York City From Mayor de Blasio

All Insiders

Prevent Voter Hacking: Bring Back Levers

Center for Cost Effective Governance (costeffectivegov@gmail.com) Thu, S

To: you Details

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August 13, 2019

Hello Steve,

The House just passed a bill seeking $750 million for enhanced voter machine protections against potential hacking. Here's a better idea. Save that money and just go back to the cheaper, reliable, hack-proof lever machines that we've used for decades. If it wasn't broken, why did they feel the need to fix it? Foxnews.com published my article on this issue. See below.

[redacted]

OPINION Published August 10, 2019

Steve Levy: We can easily prevent election hacking by Russia or anyone else – Here's how

OPINION By Steve Levy | Fox News

Rep. Devin Nunes on James Comey memo revelations, investigation into origins of the Russia probe

New documents reveal that the FBI retrieved several memos from James Comey, including a secret one that the fired FBI director drafted the night before agents arrived; reaction from California Congressman Devin Nunes, ranking members of the House Intelligence Committee.

Isn't it ironic that the hysteria related to Russia potentially hacking our election system has been totally created by American politicians?

If this is indeed an existential threat to our democracy, why aren't our leaders simply suggesting that we return to the good old-fashioned lever machines or paper ballots (without the scan) that were totally reliable, far cheaper than their electronic counterparts, and totally immune to hacking?

Let's recall what prompted this dumb effort to create a solution for a problem that didn't exist. It was the 2000 presidential election and the controversy over "hanging chads" in Broward County, Fla. sparked a frenzy among officials who needed to show they would do something to ensure this fiasco never happened again.

Talk about an overreaction! The very easy solution would've been to junk the ridiculous butterfly ballot that they employed in that Florida county. Instead, Congress passed the Help America Vote Act (HAVA), which led us down a needless path of spending billions of dollars to "upgrade" each state's voting infrastructure with electronic voting machines.

DEVIN NUNES: JOHN DURHAM KEY TO UNDERSTANDING RUSSIA PROBE ORIGINS

As a New Yorker who had been voting on lever machines since my 18th birthday, I never faced a problem casting a ballot, and the integrity of an election was never a question.

As the old saying goes: "If it ain't broke, don't fix it."

Bit elected officials concluded they had to fix our election system anyway, and decided high-tech was the way to go.

A cottage industry of electronic voting machine manufacturers swooped in on every state capitol, with ample campaign contributions in tow. Before you knew it, it wasn't a question of whether states would purchase these machines, but which bells-and-whistles version they would choose.

About a decade ago, New York state passed legislation requiring each of its 62 counties to purchase electronic machines. Residents were taxed hundreds of millions of dollars to help subsidize the procurement.

But other costs ensued. In Suffolk County we were forced to spend over $1 million in the depths of the recession to build a wing on our elections building because the machines had to be stored in a climate-controlled setting.

More from Opinion

Liberty Vittert: Russian interference in US elections far from over – Here's what to watch for

Michael Goodwin: Dems are obsessed with two things -- impeachment and race. It won't help them win

CLICK HERE TO GET THE OPINION NEWSLETTER

We were so outraged we sued the state to prevent it from forcing us to ditch our reliable lever machines in lieu of the electronic version. Our argument didn't center just on costs. We also raised the fact that we would all rue the day we went electric because of the potential exposure to hacking.

Why would we jeopardize the integrity of our electoral process for no valid reason? Anyway, we lost. And so did the American public.

Electronic machines were not enough for the tech set. Online voting would revolutionize the franchise, they said. Amazingly, 32 states to this day permit some form of online balloting, despite warnings the systems are not secure.

An analysis by Silicon Valley executives warned that "potential criminal electronic attacks on computer software, such as destructive 'viruses' or 'Trojan Horse' software, create a serious threat to Internet voting."

In 2004, the Pentagon canceled a proposed Internet voting program for overseas military personnel due concerns about hacking.

And in 2010, a University of Michigan professor answered a challenge made by the Board of Elections in Washington, D.C., which was testing a new Internet voting device in a mock election. The professor hacked it within 36 hours.

Meanwhile, some in our free-spending Congress seek to pay homage to former Special Counsel Robert Mueller's warning of future hacking attempts by calling for the spending of $750 million over the next two years to protect the voting system infrastructure and require paper ballots to accompany the electronically scanned votes.

CLICK HERE TO GET THE FOX NEWS APP

Instead, they should go back to the old-fashioned lever or paper systems that were never broken in the first place, and toss the electronics into the ash pit of failed experiments.

Perhaps those hundreds of millions of dollars would be better spent dealing with the homeless camping out on the streets of our major cities.

CLICK HERE TO READ MORE BY STEVE LEVY

Steve Levy is president of Common Sense Strategies, a political consulting firm. He served as Suffolk County Executive, as a New York state assemblyman, and host of "The Steve Levy Radio Show."

Conversation 249 Comments

What do you think?

Sort by **Best**

CENTER FOR
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GOVERNANCE

UPDATES ON REDISTRICTING AND COUNCIL DISTRICTS

There were a few major developments over the last couple of weeks that we wanted to pass along to you.

As you may know, our Center has been in the forefront of advocating for the creation of independent panels to redraw legislative district lines as required by the census.
We were pushing this long before it was fashionable, but the good news is that many governments are starting to catch on.

The article below indicates that Nassau County legislators are introducing a bill for an independent panel. I've been informed by rookie legislator Anthony Piccirillo in Suffolk that he will be introducing his own version in the Suffolk Legislature in the next couple of weeks.

This is especially exciting news for Suffolk. When I was County Executive I authored a landmark redistricting law in 2007 that would've taken the redrawing of the lines away from the incumbent politicians. It was such a big deal that the governor came down for the bill signing at the H. Lee Dennison building in Hauppauge.

Unfortunately, as the time for the redrawing approached, skittish legislators concerned only about their reelections, disbanded the panels and went back to redrawing the lines behind closed doors

Hopefully, Legislator Piccirillo's legislation will pass and make those smoke-filled back rooms a thing of the past.

Progress is also evident in the effort to create councilmanic districts in Islip Town. Our Center has long advocated for carving towns into distinctsthat would be represented by their own council members. All five of Islip board members hail from hamlets south of Sunrise Highway. Meanwhile, minority districts such as Brentwood and Central Islip have no representative elected directly from their vicinities. The lawsuit has been allowed to move forward and will be heard in the next few months.

We will keep you updated as to the progress of these issues.

Sincerely,

Steve Levy

Here is a link to the Council district article:

Newsday

https://www.newsday.com/long-island/suffolk/latinos-islip-council-lawsuit-1.47745730

Here's the Newsday article on redistricting

NEWSDAY: 8-13-20
Nassau Dems propose redistricting panel
By Candice Ferrette

Nassau Democrats are pushing for an independent commission to redraw the county's legislative district map, a move they say would prevent gerrymandering and "shielding" of incumbents from "meaningfully competitive election challenges."

Legis. Kevan Abrahams (D-Freeport) on Wednesday touted the legislation, which was filed in January but sidetracked by the COVID-19 pandemic.

Abrahams, the legislative minority leader, urged the Republican majority to support the proposal. Nassau County Executive Laura Curran, a Democrat, supports the measure.

“The redistricting process — for many, many years — has been handled by the political parties and voted on by the party that’s in the majority,” Abrahams said. “What we are proposing today is to remove the politics from the system.”

GOP spokesman Christopher Boyle said the majority would review the bill, but called it “difficult to understand why in the midst of a COVID-19 pandemic, fiscal crisis and with thousands of residents still without power after the recent storm, the minority chooses to focus their energy on changing the county’s redistricting process.”

Redistricting occurs every 10 years after the U.S. Census.

Abrahams’ bill would create a nine-member commission, with three appointments by the majority, three by the minority and three agreed upon by both sides.

Redistricting in Nassau now involves five members of each political party and a nonvoting chairperson appointed by the county executive. The county Legislature has the final say.

Republicans hold an 11-8 majority in the Legislature.

Democrats say the commission would be responsible for issuing a redistricting plan in which the 19 districts are geographically compact and contiguous.

The first legislative elections to use the new maps, which would be drawn based on data from the 2020 Census, would occur in 2023. The commission process would repeat every 10 years, Democrats said.

Since Nassau’s first legislative elections in 1995, incumbents have won 95% of the time, according to a study of contested races.

Paying People to Vote?

Center for Cost Effective Government (costeffectivegov@gmail.com)

To you Details

May 10, 2019

CENTER FOR Co$t Effective GOVERNANCE

Paying People to Vote?
May 10th, 2019

Hello Steve,

Check out these two articles in Newsday over the last week if you want to understand why people are fleeing Long Island and New York.

The first article shows that a majority of young people under 35 years of age plan on leaving Long Island over the next five years due to our high taxes. Juxtaposed to this article is an Op-Ed by two college students lauding the state for having just passed a new mandate that will require businesses to give employees three hours of paid leave in order to vote. Now, this proposal might have been worthy of conversation had we still been a state where you could only vote on election day. But earlier this year, the state passed a new law that will allow for residents to vote on any one of 10 days prior to election. It is also going to be much easier to mail in one's vote.

So, I ask you, now that we have 10 days in which to vote, why in the world must a business pay fo an employee to go to the ballot box.

This comes on the heels of a state legislature that last year sought to force employers to give three months of paid leave for employees to grieve the loss of one of their grandparents. This is the very same nonsense that leads to the first article detailing how many of our residents are packing their bags for cheaper pastures. When will it end?

https://www.newsday.com/long-island/nextli-young-adults-survey-1.30862499

https://www.newsday.com/opinion/commentary/support-time-off-to-vote-elections-ballots-1.30739224?returnUrl=https://www.newsday.com/opinion/commentary/support-time-off-to-vote-elections-

Center for Cost Effective Governance (costeffectivegov@gmail.com) Thu,

To you Details

CENTER FOR Co$t Effective GOVERNANCE

THE LATEST ON REDISTRICTING IN NY

We thought you'd want to be updated on the latest regarding efforts to depoliticize the redistricting process in New York State.

You may or may not know that back in 2014 the voters of New York passed a constitutional amendment creating a panel that will redraw the lines of state legislative districts, rather than the politicians themselves drawing them.

Our center has long supported depoliticizing the method by which districts are redrawn. The political parties would wink and nod each other as they traded voters from district to district to embolden incumbents. This

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Islip minorities finally to get some representation.

Last week it was announced that the town of Islip has settled the lawsuit brought by a number of citizen based groups seeking to replace the at large system of electing counsel people to a councilmanic system that elects members from one of four council districts throughout the town. Our center has long supported this type of system that is closest to the people.

The settlement is a victory for those who have lamented the fact that Hispanics, who comprise 1/3 of the town's 300,000 people,, have never had a representative on the town board.

Think of how things might've been different had there been a specific representative from the areas of Brentwood and Central Islip when dumping was occurring in their parks.

Like a county legislator's district, a council district is small enough for an underfunded candidate to get his or her message out.

At large systems require candidates to be more beholden to party leaders and special interests to get their funding for the campaign.

A candidate needs four times the amount of money to communicate with voters in an at-large system than in a council district.

It's one of the reasons why all of the present people on the council reside south of Sunrise Highway and not one is a person of color. The representatives from these areas may be hard-working and well-meaning, but isn't it time that folks from other parts of the town, especially the traditionally underserved areas, have someone from their neighborhood providing input?

Kudos to attorney Fred Brewington, who brought this suit. He was a former guest speaker at our Center.

The best democracy is that which is closest to the people.

The center has also been supportive of a fairer district redrawing process that will remove the gerrymandering presently promoted by entrenched politicians, and replace it with an independent non partisan board that can redraw district lines.

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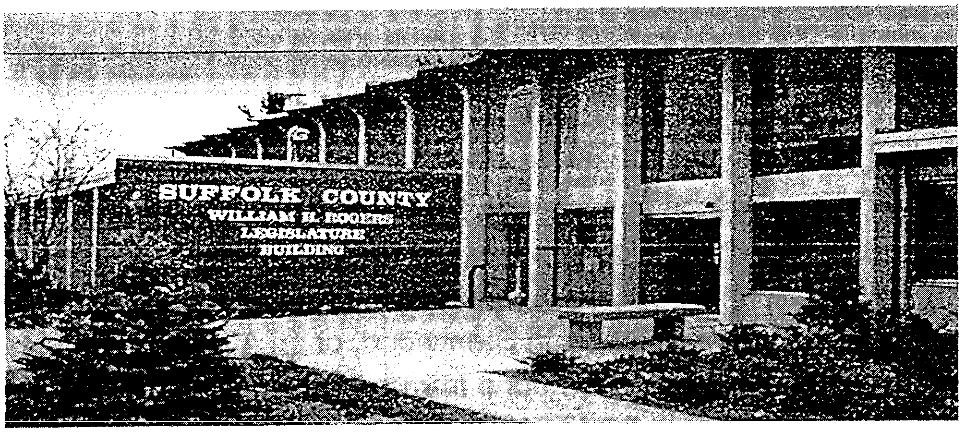

Earlier this month, the left-leaning advocacy group, Make the Road New York, joined well-respected attorney Frederick Brewington, to demand that Islip Town council members be elected through local councilmanic districts, rather than at-large districts voted on by residents throughout the whole town. While I usually agree with little espoused by Make the Road New York, in this case, they are on the right side of the issue.

All Long Island towns should be electing their representatives through distinctly drawn districts that represent select designated hamlets so that each of these communities is assured the attention they deserve. Yet, only a few, such as Brookhaven in Suffolk and Hempstead in Nassau, actually provide for this type of government that is closer to the people.

The argument for the at-large system, where a council person is elected by garnering the most votes of all of the town's residents, is that the method prevents parochialism. Theoretically, decisions can be made for the greater good of the town, rather than by the "not in my backyard" opposition. But, with any vote, those representatives outside an impacted area will still have a majority to rule the day. At least with councilmanic districts, the impacted community will have its own representative who can speak out on its behalf.

If, for instance, a waste transfer station was proposed for a particular community, one would hope that the at-large council members would take the concerns of the local residents into account. And, in most cases, they do. But the type of analysis and advocacy for those residents would probably be more vigorously promoted by an individual who is accountable just to those folks in the area. It's simple common sense.

That council district representative would not have the ability to veto a project, but would certainly be able to highlight its flaws and to garner the attention needed to make sure it is not rubber stamped.

Yet another important rationale for the district system is that it ensures that a local community is represented by someone who lives within that community. Presently, all four council members in Islip reside south of Montauk Highway. That doesn't mean that any of those individuals are not going to take seriously the concerns of those north of the highway. But if you are a Hispanic in Brentwood, or an African-American in Central Islip, you have to wonder whether someone from your community will ever be able to be sworn in as a councilmember in the town.

Decades ago, the Suffolk County Legislature in redrawing its district lines, created a district for the predominantly minority communities of Brentwood and Central Islip. They have been represented by minority community members ever since.

The legislature has also proven to be a better form of government than the old board of supervisors, because the smaller districts provide the opportunity for underfunded, more independent candidates to have a shot at getting elected.

As an underfunded 25-year-old unknown candidate for county legislature in 1985, I was example A of that concept. No one gave me a chance to win the race. I had little backing from the party, no big corporate sponsors and no name recognition. Yet, I was able, with just a $5000 investment and a voracious door knocking campaign, to secure a narrow victory.

That would never have been possible if the size of my district was four times bigger, as is the case for those running for town council. Carving the town into four distinct districts would make money far less important. It would mitigate the need of a candidate to beg for the party leader's support, or to have to rely on special interests to fund the next reelection campaign.

CENTER FOR
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GOVERNANCE

November 11, 2020

Both of these could be true: Biden won and there was serious voter fraud.
by Steve Levy

In the week after the election there were serious and concrete reports of voter fraud. Even though the number of illegal and improper ballots were more than nominal, it is highly unlikely that the number of irregular ballots can overcome the lead that former Vice-President Joe Biden presently holds over President Trump. So it is indeed possible that both Joe Biden won, and yet there still was an unacceptably high volume of voting irregularitie
Even if Trump were to be able to overturn Pennsylvania's tally with a very credible challenge in the Supreme Court, Trump would still be needing at least two more states to take him over the needed 270 threshold in the electoral college. Recounts often change hundreds of votes, but not the thousands needed by the president in Georgia, Arizona, or Wisconsin. Once those recounts are completed, it is likely Biden will be certified as President-elect (as opposed to the unofficial designation made by the media last week).

But that does not mean that the charges of improper voting should be scoffed at as a right wing conspiracy theory.

The chaos was predicted.

None of the chaos that transpired in the vote count this year should have come as a surprise. Many of us who study voter security put out clear warnings months ago that massive mail in voting and a relaxation of voting standards was going to lead to bedlam and a mistrust by a large sector of the population in the ultimate results. That's exactly what's happening..https://www.politico.com/news/2020/11/09/republicans-free-fair-elections-435488

The need to investigate allegations of fraud are important not only for the Trump campaign, who in the end will likely lose, but for those who want to ensure that the integrity of the process is maintained in future elections. The only way to unify the nation after a contentious election is for the public as a whole to have confidence that the election results were fair. The more we weaken our voting standards, the less confidence the people have in the process.

And make no mistake, there have been concerted efforts to water down ballot integrity. Critics correctly claim that specifics must be laid out, so
here are just a few:

1.....Pennsylvania

The US constitution is clear that voting rules are left to the discretion of state legislators. Months ago, Pennsylvania's governor sought.
to drastically water down the states voting safeguards by allowing ballots to be counted even if received after election day and to ensure that the signature on a mail in ballot did not have to match the signature on file. His request was denied by the state legislature. So, he went around them to the PA Supreme Court, which, remarkably, ignored the US Constitution's provisions leaving such decisions to the state legislature. Instead, it rewrote the rules on its own by unilaterally and without authority declaring that ballots received after election could be counted even though black letter wording of the statute said otherwise.

The problem is, we don't know how many such ballots came in after November 3. It is highly likely that the Supreme Court would overturn Pennsylvania's court decision and invalidate those votes. However, the court may be reluctant to take on the case if at least one other state does not first go in Trump's direction. They will simply claim that the question is moot. But it's not. It will have profound effect on future elections.

2.... Mailed ballots eliminate chain of custody.

The reason in person voting is so valued is because you can't transfer your body to someone else, as you can with a mail in ballot. Once the ballot is placed in a mailbox the voter must rely on the ballot getting there on time, or even getting there at all. And because there is no real time signature that comes with them, as with in person vote, we rely on poll inspectors to verify the veracity of the signature on the mail in ballot.

3.... Ballot harvesting leads to fraud.

This is the process whereby a third-party takes the ballot from the voter with the promise of delivering it to the proper polling place. It is so dangerous and dripping with the potential of fraud and abuse that many states have banned the practice.

Ballot harvesting not only exists in many states, including California, but there was an attempt by the House to allow for such harvesting in all 50 states via the Covid relief plan that they introduced, but was blocked by the Senate.https://www.cbsnews.com/news/ballot-harvesting-collection-absentee-voting-explained-rules/

The danger of ballot harvesting was actually exemplified when a congressional candidate in North Carolina abused it in the 2018 election. After his aids were caught illegally collecting ballots, the results were invalidated and a new election was set.https://www.theatlantic.com/politics/archive/2019/02/north-carolina-9th-fraud-board-orders-new-election/583369/

An even more egregious example was caught on tape in St. Paul, Minnesota. There, a political operative was seen bragging about how he went apartment by apartment in a housing complex, helping to fill out mail in ballots and collecting them from the voters.https://nypost.com/2020/09/27/project-veritas-uncovers-ballot-harvesting-fraud-in-minnesota/
Under Minnesota law, no individual can be the "designated agent" for more than three absentee voters, but the operative collected more than 300, all for the same Democratic candidate.

According to the NY Post's Miranda Devine, a Minneapolis-based former political worker, said that before Minnesota's primary elections, ballot harvesters "took every single ballot" from elderly people in a Minneapolis public housing complex — the Charles Horn Towers.

"Knock on the door and say, 'Your ballots come? Give it to me.' "

She alleges Omar's long-serving staffer, campaign deputy district director Ali (Isse) Gainey, was "coordinating everything."
"Cash, cash, cash. They were carrying bags of money. . . . When you vote and they mark you off, then you get in the van, they give you the cash."

Omar asks: "So they request for the elderly?"

Mohamed says: "Yes, they request for them."

Omar: "And it is taken away from them?"

Mohamed: "Yes, it is taken away from them."

Twenty six states allow a voter to designate someone else to return their ballot for them, according to the National Conference of State Legislatures.

As the November election approached, the Nevada Assembly passed legislation that would allow the state to mail a ballot to every registered voter, and the bill allows for third parties to collect ballots.The Nevada law did not limit how many ballots a person can collect.

4.....**Destroying or discarding ballots.**

In Paterson, New Jersey, two officials were charged with election fraud last month after hundreds of mail-in ballots were discarded.

In Pennsylvania, nine military ballots from the 2016 election, most for Trump, were found in a dumpster.

One individual in Boston set fire to a drop off box, destroying 120 ballots. A week earlier a man was charged for setting ablaze a drop off box in CA https://abcnews.go.com/Politics/wireStory/man-charged-burning-ballot-drop-box-boston-73837313

5....A movement to weaken standards on a national level.

House leaders have been been seeking to use a massive Covid relief bill as an umbrella under which massive changes to the voting process could be nationalized. The bill would:
1... bar states from requiring notarization or witness signatures on absentee ballots.
2. ban any type of ID requirement.
3....require states to allow completed absentee ballots to be picked up by candidates, political consultants, and party activists (ballot harvesting).
4....force states to allow same-day registration–the ability to register and vote at the same time on Election Day–providing no time for election officials to verify the accuracy and validity of the voter registration.https://www.heritage.org/election-integrity/commentary/avenues-voter-fraud-have-no-place-coronavirus-bill

6....**Dead people are voting**.
Almost 2 million dead people were still on the voter rolls in a 2012 study by the Pew Center. https://www.npr.org/2012/02/14/146827471/study-1-8-million-dead-people-still-registered-to-vote
There is little proof that has changed much since.

In Nevada, where Biden was up by 40,000 votes, it's been documented that 41,000 individuals are still on the voter rolls ten years after having last voted - meaning many, if not most, have died or moved out of state.

In Suffolk County , NY a man was indicted for seeking an absentee ballot on behalf of his deceased mother. How many such bogus requests were not caught by officials? We just don't know. https://www.danspapers.com/2020/10/hamptons-charged-absentee-ballots-dead-mom/

In the past, it was common to purge voters off the lists if they've been inactive. But recently, many on the left and in the media nonsensically have claimed this is an attempt of voter suppression. So, the dead remain on the rolls and ballots are being cast in their name through the relaxed standards related to mail in voting.https://theintercept.com/2020/05/28/pennsylvania-voter-rolls-purge-judicial-watch/

7....More ballots mailed than there are actual voters.

California sent out ballots to all of its 21 million registered voters whether they asked for them or not. Since we know many of those registrants are deceased or moved, it means there are huge numbers of extra ballots circulating throughout the system. Some will be thrown in the trash, but many will be filled out and mailed back in by those with no authority to do so.

How many? The problem is we just don't know. And that's the biggest problem with mail in voting. *We don't know what we don't know.*

7........Reports of backdating ballots

In Detroit, a city elections worker stated he was ordered to backdate ballots to ensure they were counted, even though they missed the deadline. It was thereafter falsely claimed that he recanted his testimony.
https://justthenews.com/politics-policy/elections/detroit-city-worker-blows-whistle-claims-ballots-were-ordered-backdated

8.....Signatures no longer required

An NPR article this past June noted how some lawmakers were seeking to totally re-write election law rules by removing the requirement that signatures be on the ballot envelopes or that witness signatures be supplied. https://www.npr.org/2020/06/01/865043618/need-a-witness-for-your-mail-in-ballot-new-pandemic-lawsuits-challenge-old-rules
https://www.vox.com/2020/10/24/21531640/pennsylvania-supreme-court-ballots-mail-signatures

"Among the main targets are witness and signature requirements for absentee ballots — such as signing the envelope, or getting a witness or notary to sign it, or making sure the voter's signature is legible."

9......500,000 mail in ballots were invalidated in the 2020 primaries for not being verifiable.

The margin of victory for Joe Biden in swing states was as follows: PA. 47,000; WI 20,000; AR 15,000; and GA 12,000. The 94,000 total for all four states was far less than the number of mail in ballots that were disqualified just a few months earlier in the primaries. Because mail in ballots are susceptible to fraud, lawmakers had in the past put safeguards in place to ensure their integrity. Those safeguards were eviscerated for the general election on Nov 3 in many states.https://abcnews.go.com/Politics/750000-mail-ballots-rejected-2016-2018-matters/story?id=73645323
https://www.washingtonpost.com/
https://justthenews.com/politics-policy/elections/one-fifth-all-mail-ballots-disqualified-nyc-primary-signaling-possible

10...Political operative admits voter fraud is real.

An August NY Post article uncovered that,"A top operative says voter fraud, especially with mail-in ballots, is no myth. And he knows this because he's been doing it, on a grand scale, for decades."

"The whisteblower — whose identity, rap sheet and long history working as a consultant to various campaigns were confirmed by The Post — says he not only changed ballots himself over the years, but led teams of fraudsters and mentored at least 20 operatives in New Jersey, New York and Pennsylvania — a critical 2020 swing state.'This is a real thing,' he said. 'And there is going to be a f–king war coming November 3rd over this stuff ... If they knew how the sausage was made, they could fix it.'"

He described creating counterfeit mail in ballots that would be inserted into envelopes collected from elederly voters. He also mentioned colluding with a mail carrier who made 500 ballots disappear.

11...Poll watchers denied access?
The integrity of the mail in ballots can only be verified by careful scrutiny of both Republican and Democratic poll observers. Where one party is restricted from the verification process there can be no confidence in the system. There were numerous allegations of instances where reviews were being adequately observed by just one party. https://www.kxan.com/investigations/poll-watchers-say-they-were-illegally-denied-entry-into-gillespie-county-ballot-counting-room/
In Michigan, cardboard was placed on windows to block the visibility of some observers.https://www.reuters.com/article/us-usa-election-michigan/michigan-still-counting-votes-angry-poll-watchers-barred-in-detroit-trump-sues-idUSKBN27K2AQ

Conclusion

The media started off with their narrative that there is no voter fraud. When specific examples were presented, they moved the goalposts, saying the fraud is small and not systemic. Then, when the number of irregularities grew even further, they said it wasn't enough to make a difference in the outcome.

It may indeed turn out to be true that the amount of provable fraud will not overturn this election. But the bigger question is whether it has the potential to do so in the future. While there may not be massive amounts of voter fraud, it only takes a small amount to make a difference in some elections.

One example was that of Sen. Al Franken, who won his Minnesota Senate election with just over 300 votes. That amount was less than a number challenged for fraud. And, of course, the

2000 presidential election came down to just 500 votes in the state of Florida. A few hundred votes out of millions cast is a very low number. But that's all it takes to change the outcome of an election.

If we want to unify America moving forward, we first have to be unified in our trust in the election outcome, regardless of which candidate wins. Let's stop this process of diluting the integrity of the voting process. A vote is too sacred to be treated so cavalierly.

CHAPTER 5
ZEROING IN ON MTAs AND IDAs

We submitted testimony to the state regarding the need to rein in the uncontrolled costs inherent in the Metropolitan Transit Authority. We opposed the congestion pricing scheme suggested by New York City and state officials, especially without requiring any reforms at the MTA. We have been warning for the longest time that the problem with the MTA is not a lack of revenues, but rather, their uncontrolled appetite to spend and their archaic work rules.

Problems related to the MTA are akin to those of various governments that are being overwhelmed by their pension costs. Our white paper regarding the impact of overtime on pension costs includes a number of references to the MTA, especially the poster boy for overtime abuse, Thomas Caputo, who remarkably was allowed to collect $344,000 in overtime in a single year.

We joined teams with Long Islanders for Tax Reform, who helped uncover some of the other massive expenditure abuses promulgated by the MTA. Including $7 million spent on a dog house and the fact that engineers are paid double time if they work on both a diesel and electric train on the same day. We also highlighted the fact that overtime was allowed for time spent on changing one's clothes or washing one's hands.

This far, elected officials have been unwilling to take on the powerful unions that control the MTA. If this trend continues, the center suggests that the MTA be thrust into a state of bankruptcy so that a receiver can be appointed and the outrageous contracts that have exacerbated its deficit are rewritten and brought under control.

This type of wasteful spending is also evident within the number of Industrial Development Agencies (IDAs). These entities were originally formed to provide incentives for businesses to move to certain areas with the promise of tax breaks in return for the creation of plentiful jobs. While we're supportive of real manufacturing jobs that can be created, we take issue with a number of these tax breaks being given for parking lots or storage facilities that provide few, if any, jobs.

We've also supported measures that would require the clawback of tax benefits given to companies that fail to follow up on their promise to create a certain number of jobs.

CENTER FOR
Co$t Effective
GOVERNANCE

July 24, 2019

Hello Steve,

It's not the illegal MTA acts crushing taxpayer; it's the legal abuses.

When it comes to extravagant spending at the MTA, don't be distracted by politicians who deflect your attention by focusing solely on appointing prosecutors to weed out illegal spending practices.

While there is indeed some fraud in the system, the primary reasons for the MTA's deficit are the insane contracts, work rules, and regulations that provide outlandish salaries, overtime, and pensions in a perfectly legal fashion.

Taxpayers will barely see a dent made in eradicating these deficits by arresting a handful of people who improperly clocked in extra hours of overtime not actually worked. The real budget buster is the tens, and sometimes hundreds of thousands of dollars of overtime logged by each employee approaching retirement, which then increases their pensions exponentially.

The expose' published by the Empire Center for Public Policy this past spring blew the lid off the outrageous overtime bills being racked up by thousands of MTA employees. The idea that an employee could bring home almost $350,000 in overtime shocked the public and forced elected officials to make it appear that they, too, were appalled and would follow up with meaningful reform to ensure this abuse was finally corralled.

Really fixing the problem, however, would undoubtedly rile the MTA unions, which play such a pivotal role in electing state officials. Thus, a plan had to be hatched that would give the appearance that officials were taking action to protect the taxpayers and transit users, while simultaneously not burning bridges with the unions they so depend upon each election cycle.

Though they would never admit it, union leadership could live with a few of their members given up as sacrificial lambs. A couple of prosecutions here and there, coupled with front page headlines, would allow for both the union leaders and elected officials to make the bogus claim that the problem has been solved. Once the verdicts were handed down for these few people, the media could then shift its attention to other pressing statewide matters.

We cannot allow this opportunity for reform that is sitting on our lap to be quashed in such a cynical manner.

New York's public pension system is unsustainable, not because of a handful of employees manipulating an overtime clock, thereby siphoning off a few hundred thousand dollars. The bigger issue is the hundreds of millions of dollars taxpayers must come up with to pay for the six-figure pensions that are becoming commonplace.

Our pension liabilities are a time bomb that will be detonating over the next decade, says the Empire Center. New York State's pension bill, which was just $174M in the year 2000, exploded to over $4.8 billion by 2015. For those keeping score, that is an unfathomable 2,900% increase.

One of the driving forces behind these increases is the fact that overtime is allowed to artificially inflate the base salary upon which pensions are calculated. Thus, an employee with a $100,000 base salary, who would receive a pension of $50,000 to $75,000 per year, can receive a six figure pension by simply loading up on overtime hours in his last 3 years of service.

While the state implemented a new Tier 6 in 2011 to limit overtime factored into the pensions of employees hired after 2012, the thousands of employees who will retire over the next 20 years will not be held to these limitations.

Take, for instance, the impact this will have on the New York City Fire Department alone. In 2018, there were 416 employees who retired. Maintaining that average would lead to 8320 retirements over the next twenty years. If employees take in overtime of an extra $75,000 in each of their last three years, the amount they collect each year in their pension will increase by at least $37.500. Over twenty years, that amounts to an additional $750,000 paid to that employee. If each of the 8320 retirees takes in that extra cash, it amounts to an astounding $6.4 billion obligation that taxpayers would not otherwise have to eventually shell out were overtime not factored into the pension.

When you apply that concept to police retirees as well over the next two decades, the additional, yet still avoidable, expenditures from taxpayers soars exponentially.

There are few reforms that would have a greater fiscal impact on New York taxpayers than finally preventing overtime from being factored into the pensions for our current public sector employees. If our elected leaders truly want to protect taxpayers, they will start will this reform.

Steve Levy is Executive Director of the Center for Cost Effective Government. He served as Suffolk County Executive, as a NYS Assemblyman, and host of "The Steve Levy Radio Show."

Center for Cost Effective Governance
No to congestion pricing; yes to MTA bankruptcy
Sep 18, 2020 at 5:29:07 PM
caval50@aol.com

CENTER FOR
Co$t Effective
GOVERNANCE

PRESS ADVISORY
March 6th, 2019

631-877-0940

Think tank calls for MTA restructuring through bankruptcy as alternative to congestion pricing.

A New York based think tank is joining forces with the businessman who brought suit against the Metropolitan Transit Authority's (MTA) 2009 payroll tax to call for the entity to be required to initiate bankruptcy proceedings as a prelude to restructuring its burdensome contracts and byzantine work rules.

The Center for Cost Effective Governance, headed by executive director Steve Levy – a former New York state assemblyman and Suffolk County executive – noted: "The MTA doesn't have a revenue problem, it has a spending problem. The multi-billion-dollar annual structural deficit at the MTA is beyond repair. Elected officials are looking to paper over this problem and consistently go back to the taxpayers and commuters to try to make up this difference. Yet, even after raising fares and deriving new revenues time after time, there still isn't enough money to feed this beast. There is only one way to get the MTA under control: Force it into bankruptcy and allow a judge to restructure the salary and benefit packages and to reform the archaic work rules that have made the authority so cost prohibitive."

Joining in the Center's call for bankruptcy was William Schoolman, the former CEO of Classic Coach transportation company and the president of Tax Relief Now. Schoolman led the charge against the payroll tax implemented under then-governor David Patterson's tenure to provide extra revenues to the authority. Schoolman brought the lawsuit, which invalidated the tax in the state Supreme Court. The court's decision was reversed on appeal, but enough attention was focused on the issue that the state legislature subsequently removed the payroll tax on smaller companies.

Schoolman stated, "We said back in 2009 that the MTA tax was just a stopgap measure that would not cure the structural deficit within the MTA. When officials continue to inaccurately depict the deficit as being primarily due to lack of revenues, rather than due to excessive spending, it ultimately leads to being in the same predicament years later. Sure enough, we are now at that point once again. Hopefully, we will have learned a lesson that simply seeking out more revenue sources is not the answer. It is time to come to the realization that the MTA is out of control and must be placed in receivership so that it can operate more like a private business."

Schoolman added, "Taxpayers cannot afford to continue to subsidize the MTA. In addition to the excessive service fees and tolls paid for by the users, each year, all NYS taxpayers pay the MTA deficit. For the last 10 fiscal years, taxpayers paid an average of $9.55B each year. That is almost $100B in the last 10 years. Since 2009, when the payroll tax started, the MTA increased their expenses from $13.8B to $18.7B, and increased their assets from $57B to $84B. Last year's deficit was $10B. 60% of expenses goes to themselves. The MTA is supposed to be a self sustaining Public Benefit Corporation. The reality is the MTA is an Employee Benefit Corporation. The pivotal question is who is going to stand up for the taxpayer?"

To back up their claim of excessive spending Schoolman and Levy cited the following:

• Double pay for a railroad employee simply working on a diesel and electric train on the same day.

• Receiving overtime for washing one's hands.

• The prohibition of station agents from cleaning the floor or of janitors changing a lightbulb.

• Expending $7 million to construct a dog house and $20 million for an employee lounge.

• Spending $845 million on the MTA headquarters, originally estimated to cost $140 million.

• Subway workers, including managers and administrative personnel, now make an average of about $155,000 annually in salary, overtime and benefits.

• The nearly 2,500 people who work in New York subway administration make, on average, $240,000 in salary, overtime and benefits. The average elsewhere is less than $115,000.

• Disability abuse at the Long Island Rail Road, while impacting somewhat less than 97 percent of retirees at the peak of the scandal a decade ago, is still hovering at intolerable levels.

• These ridiculous rules have resulted in making a mile's worth of railroad construction in New York cost $2.6 billion, compared to $170 million per mile in Atlanta.

Schoolman and Levy cited the 1985 Chapter 11 bankruptcy of Carey Transportation, wherein a court allowed for the voiding of the existing union work rules to prevent the company from dissolving.

The full text of the Levy and Schoolman Op-Ed can be viewed at: https://www.longislandpress.com/2019/03/03/an-alternative-to-congestive-pricing-let-the-mta-go-bankrupt/

Sincerely,

Steve Levy, Executive Director
Center for Cost Effective Governance

Follow my Twitter!

Center for Cost Effective Governance | 228 Barrett Avenue, Bayport, NY 11705

An Alternative to Congestive Pricing: Let The MTA Go Bankrupt

BY STEVE LEVY AND BILL SCHOOLMAN · MARCH 3, 2019

Long Island Rail Road riders board a train in Long Beach (Photo by Joseph Abate).

Sign up for our COVID-19 newsletter to stay up-to-date on the latest coronavirus news throughout New York

Enough with the talk about congestion pricing! The MTA doesn't have a revenue problem, it has a spending problem.

This was the case when the state legislature imposed a brutal MTA tax in 2009 that unfairly placed burdensome payroll X [redacted]inesses, schools and not-for-profits throughout the metropolitan area to fund the New York City transit system.

The law firm with which I am presently associated, Campolo, Middleton and McCormick, brought the lawsuit (funded by businessman William Schoolman) which held that the tax was unconstitutional. Though it was reversed at the appellate level, for what we maintain were political reasons, the attention brought to the issue helped precipitate new state legislation which removed the tax for small businesses previously affected.

Unfortunately, at no point during the deliberation of that tax plan was serious consideration given to ending the reckless spending patterns inherent in the MTA.

Then came the transit union contracts in 2014. The unions cleverly threatened a strike smack in the middle of a gubernatorial campaign. Elected officials were so anxious to get this headache off their plate that they basically capitulated to the unions' every demand. In fact, the Railroad union asked for a 17 percent rate increase over 6 -1/2 years. They got exactly that over six years. It was truly disheartening to see that no serious givebacks were included in the package.

It should've surprised no one that those contracts were going to lead to major fare increases. Predictably, officials are calling for bi-annual 4 percent hikes in the coming years. It will now, remarkably, cost approximately $400 per month to travel from Ronkonkoma to Penn Station.

And now we see the chorus singing the same old song that more revenue is needed to fix our subways and crumbling bridges. So let's tax motorists? It's just one more nail into their coffins.

We submit today that no revenue enhancements should even be considered unless major reforms are implemented to the spending practices of this out of control entity. The press release of the governor and the mayor a few days ago cannot be taken seriously. It is restructuring in name only. It is an attempt to say we did something, when actually nothing of significance was accomplished.

This spending dilemma requires far more than consolidating a few agencies. It goes to the ridiculously archaic union work rules and outrageous overtime, salary and benefit packages that are simply unsustainable for our taxpayers.

The stories of abuse are legendary:

Double pay for a railroad employee simply working on a diesel and electric train on the same day.

Receiving overtime for washing one's hands.

The prohibition of station agents from cleaning the floor or of janitors changing a lightbulb.

Subway workers, including managers and administrative personnel, now make an average of about $155,000 annually in salary, overtime and benefits.

The nearly 2,500 people who work in New York subway administration make, on average, $240,000 in salary, overtime and benefits. The average elsewhere is less than $115,000.

Disability abuse at the Long Island Rail Road, while impacting somewhat less than 97 percent of retirees at the peak of the scandal a decade ago, is still hovering at intolerable levels.

These ridiculous rules have resulted in making a mile's worth of railroad construction in New York cost $2.6 billion,compared to $170 million per mile in Atlanta.

This agency is in a spending death spiral and no congestion plan, with tinkering around the edges, is going to prevent it's ultimate collapse. It is simply unconscionable to consistently go back to weary taxpayers and commuters to dig further into their empty pockets.

There is only one realistic way to effectuate significant, sustainable restructuring: The threat of an MTA bankruptcy.

We could look to the bankruptcy petition filed by Carey Transportation in 1985. The union rules that the company had to deal with were so outlandish that drivers told management that they would transport people to LaGuardia Airport but not JFK, or vice verse. Fed up, the company said that they needed a change to these types of Byzantine rules or they would be forced to file Chapter 11. When their attempt at negotiations failed, they indeed initiated the bankruptcy proceeding. Ultimately, the judge changed the work rules and salary structure in management's favor.

Bankruptcy is a desperate measure, but these trying times require desperate measures. The hope is that it would never get to that, but bankruptcy must be a realistic option to bring the players to the table.

[redacted]ork City was faced with fiscal collapse in the 1970s, it was a state monitored restructuring of their finances that kept the City from Armageddon. Bankruptcies, or the near equivalent thereof via control boards, have been implemented in Yonkers, as well as Erie County and other municipalities to restructure an unsustainable workforce. Cities such as San Bernardino and Detroit relied on bankruptcy to prevent a fiscal breakdown.

Meanwhile, a parallel track should be pursued for privatization. If the parties cannot restructure the expenditure packages, then authority should be granted to scrap the present system and start from scratch, with private entities participating in the running of the MTA. The parameters, such as how many trains would run, and how frequently, would still be set by the MTA, but the actual operations would be carried out by a for-profit entity incentivized to maximize efficiency.

It is our hope that it never comes to privatization or bankruptcy. But let's make sure it's understood that these are real options if the parties cannot negotiate rational restructuring of the archaic rules and excessive salary and benefit packages that are running the MTA into the ground.

I imagine there will be few, if any, brave souls who will come forward to endorse these needed reforms. We can't force anyone to take the lead, but we can let the public know which officials agree to tax them further for the MTA's needs without first requiring these necessary reforms. Not a dime more from our taxpayers and commuters until these type of cost controls are effectuated.

Steve Levy is a Executive Director of the Center for Cost Effective Governance. He served as Suffolk County Executive from 2004-2011, as well as a NYS Assemblyman and host of the "Steve Levy Radio Show."

Bill Schoolman is past president of Classic Coach Transportation and Long Islanders for Tax Relief, which brought litigation against the MTA tax.

Steve Levy and Bill Schoolman

In 2015, the MTA spent $9.85b on employee salaries, retirement, and post-employment benefits. This is one billion dollars more than the $8.4b in total revenue the MTA collected. Before paying any other business expenses, the MTA is already losing money.

Metropolitan Transport Authority (MTA), which loses on average more than $6 billion per year dating back to 2009. If the MTA were a company in a functioning free market, it would have filed bankruptcy and restructured a decade ago.

Employees pay only 2% for health

The extension of the 7 line from Times Square to the Javits Center cost $1.6 billion per mile. It would be the most expensive in the world if not for the first phase of the Second Avenue subway, which is estimated to cost $2.7 billion per mile of new tunnel. Compare this to the cost of other new tunnels worldwide in London, Tokyo, Berlin, and Paris, which cost respectively $700m, $560m, $400m, and $368m per mile. What is this discrepancy attributed to? According to Michael Horodniceanu, president of the New York City Metropolitan Transportation Authority's capital construction division: "work rules." Citing the example of the city's revered sandhogs, he said the MTA employs 25 people for tunnel-boring machine work that Spain does with nine.

In 2005, the MTA removed the second conductor from the L, but the union forced the MTA to bring the second conductor back. For 11 years, taxpayers have paid for someone who does absolutely nothing on the L train.

The future ramifications are more drastic. Around the world, over 15 subway systems have at least one fully automated line, including systems in Malaysia and the Philippines. The MTA currently has approximately 7,000 train conductors and operators being paid an average salary of $100,000 including benefits. If the MTA were to invest in driverless trains, they would save $700m annually, not including future pension and post-employment costs.

swing shift": a period of time that lasts up to four hours where bus drivers receive half pay between morning and evening shifts. Many spend it playing pool in bus depots. Additionally, drivers who call out sick get paid for their 12 hour "run" instead of the two, four hour shifts they would normally work

Bus drivers cannot be scheduled in two different boroughs on the same day

Employees may not perform the same job with someone of a different title because they are not being paid the same salary; groups must be scheduled to only include people of the same titles

Subway cleaning workers cannot be asked to replace light bulbs or do any painting

Station agents (in the booth) are not allowed to clean the floor of the subways, even as simple as picking up a piece of trash or cleaning a spill

[redacted]

average total compensation for subway managers has grown to well over $200,000 a year.

New York's subway now has the worst on-time performance of any major rapid transit system in the world

Still, the budget shows that the city's contribution to M.T.A. operations has dropped by almost 75 percent.

In today's dollars, the city gave the M.T.A. roughly $1 billion in operating funding in 1990. This year, not counting money for managing some formerly city-run buses, the city gave the system about $250 million.

Today, bonds have become the biggest funding source for M.T.A.'s construction needs. The authority has borrowed about $15 billion in the past six years — about 52 percent of overall capital funding, records show. In the 1980s, only about 30 percent of capital work was financed by debt.

Members of the Transport Workers Union got a total of 19 percent in pay raises between 2009 and 2016, compared with 12 percent for the city's teachers union over the same period.

Subway workers, including managers and administrative personnel, now make an average of about $155,000 annually in salary, overtime and benefits, according to a Times analysis of data compiled by the federal Department of Transportation. That is far more than in any other American transit system; the average in cities like Boston, Chicago, Los Angeles and Washington is less than $100,000 in total compensation annually.

The pay for managers alone is even more extraordinary. The nearly 2,500 people who work in New York subway administration make, on average, $240,000 in salary, overtime and benefits. The average elsewhere is less than $115,000.

Union rules also drive up costs, including by requiring two M.T.A. employees on every train — one to drive, and one to oversee boarding. Virtually every other subway in the world staffs trains with only one worker; if New York did that, it would save nearly $200 million a year, according to an internal M.T.A. analysis obtained by The Times.

[redacted]

[redacted]

Over a quarter of MTA employees use more than 15 sick days per year. This is in addition to the 20 annual vacation days employees receive after three years of service. Employees also receive their birthday as a holiday.

COMMON SENSE STRATEGIES LLC

August 26, 2019

Two wise decisions by locals on IDA giveaways and homeless squatting

By Steve Levy

Two decisions by local governments on Long Island last week gave me hope that there are still some rational decision makers left on the island.

One was the Brookhaven Town IDAs rejection of a ten year tax break for a senior citizen complex with a golf course. The second was a decision by Mineola Village officials preventing a homeless man from creating his own home - furniture and all - on public land by the railroad station.

In theory, industrial development agencies are a noble concept intended to lure major businesses to Long Island to provide high-paying jobs for our residents. In a perfect world, we wouldn't need these incentives because companies would want to locate here due to our good schools, low crime, wonderful beaches and proximity to New York City. Unfortunately, high taxes and over regulation in this state make it uncompetitive for many businesses to survive.

Given that we started behind the eight ball, it is sometimes necessary to give a tax break to attract large manufacturing companies that will provide a trickle down effect upon the economy. As county executive, I utilized these incentives to bring in 2000 high paying jobs from Canon and another 700 from Leviton, just to name a few. The wealth created from the tangential benefits of these workers buying meals, doing dry cleaning and shopping at the local stores, far exceeded the multi-year tax breaks that we gave these companies to relocate here.

But we've seen too many stories about IDAs giving major tax breaks to car washes, storage facilities, and other dubious enterprises where few jobs are created. What's the point?

Maybe a tax break could be justified if it leads to needed workforce housing for our next generation. But why lose all this revenue just so a developer can create another senior citizen complex with a golf course? Good for Brookhaven in rejecting this idea.

Meanwhile village officials in Mineola are putting their feet down before homelessness starts to take over their community. We have seen what happens in liberal cities from San Francisco and New York, where left leaning mayors look the other way as mentally ill people and the addicted claim parks and public squares as their home.

The government has a responsibility to offer shelter to anyone in need, but simultaneously maintains the legal and moral authority to ensure that spaces designed for the public at large are not taken over by individuals to be their new homes.

Homelessness was rampant in New York before the Giuliani administration. A sensible policy was implemented instructing police officers to tell the addicted and mentally ill that they couldn't stay out on the street when it was ten below zero. Shelters were made available for them. Squatters were told to utilize the shelter or to move along, but taking over a portion of a park would not be tolerated.

In Mineola, a homeless individual started to set up furniture and use the underpass at the railroad station as his living room. Good for Mineola officials seeking to get him shelter and off the streets and nipping in the bud a situation that could mushroom out of control. Offer this individual housing, but don't allow our communities become the next San Francisco. We can be compassionate, yet still maintain our common sense.

Steve Levy is President of Common Sense Strategies, a political consulting firm. He served as Suffolk County Executive, as a NYS Assemblyman, and host of "The Steve Levy Radio Show." He is the author of "Bias in the Media." Follow him on www.stevelevy.info and @SteveLevyNY

CENTER FOR
Co$t Effective
GOVERNANCE

November 2020

Despite Promises of Reform, MTA Overtime Continues to Soar

As the old saying goes, the more things change the more they stay the same.

Check out this article noting how the MTA overtime abuses continue to persist despite pledges by management that they would clean up their act after the disclosure that one of their employees raked in an unconscionable $344,000 in overtime.https://paper.newsday.com/html5/reader/production/default.aspx?edid=f3015378-1b10-46e2-9151-07c6ab66d49c&pnum=18

What's more galling is that the MTA continues to seek further fare increases, despite the fact that its ridership is down by 90% and it continues to hemorrhage from a spending perspective.https://paper.newsday.com/html5/reader/production/default.aspx?edid=f3015378-1b10-46e2-9151-07c6ab66d49c&pnum=18

Our center warned officials that they should not allow for congestion pricing schemes or bailouts for the MTA until they first got their spending under control. The public received the promise that these overtime abuses would end. The Comptroller notes that they have not.

The MTA can start by removing the incentive for more overtime by ending the practice of factoring overtime payments into the pension calculations. It can also place limits on how much any one individual should earn in overtime.

Finally, if they go to a defined contribution pension system (which is common in the private sector) rather than a defined benefit system, the pensions would be set based upon the market and not by how much the individual is earning in his or her final year.

Sincerely,

Steve Levy
Executive Director

Newsday publishes Center letter on MTA abuses

MTA

Center for Cost Effective Governance (costeffectivegov@gmail.com)

Thu, Sep 17

To: you Details

CENTER FOR Co$t Effective GOVERNANCE

Dear Steve,

Newsday published this letter to the editor from our board member, Ed Kelly.

Pundits, critics, editorialists, and elected officials are all calling for changes to abusive and wasteful rules and regulations within the MTA that wind up costing us billions. They are all off base, however, in thinking that we will be able to easily negotiate these extravagant perks out of the contracts.

Spending reforms should have preceded Congestion Pricing

While our Center for Cost Effective Governance disagrees with Newsday's enhaustiac support for a tax on motorists via congestion pricing (April 1, "A huge boost to build transit"), we appreciate your call for the state legislature and the governor to finally seek control of the outrageous spending patterns inherent in the bloated MTA.

Unfortunately, you let the horse out of the barn by supporting the tax before having forced the legislature to change the archaic work rules and salary and benefit scales that have brought the authority to the point of fiscal collapse.

Whether it was the imposition of the MTA payroll tax in 2009, the negotiations with the transit unions in 2014, or this latest congestion pricing scheme, additional revenues and perks for the MTA workforce should have been non-starters until the unions finally agreed to real structural reform. The MTA doesn't have a revenue problem; it has a spending problem.

Sincerely,

Ed Kelly
Center for Cost Effective Government

CHAPTER 6
CONTROLLING GOVERNMENT SPENDING

We addressed government overspending from the federal down to the local level.

On the national scene, the coronavirus has forced governments to expand beyond anything they could have imagined in the past. Our national debt was already at a tragic $21 trillion just a couple of years ago. That was a doubling of the debt within just an eight year period. But now, in just a few months, the pandemic spending has caused our national debt to soar by an additional $4 trillion.

Obviously, much of this was justified. With the government telling businesses to close down there had to be a safety net to make sure that people could feed their families and pay the rent, but also so that businesses are ready to rebound once the virus is behind us. That said, the spending has been enormous. While it was once shocking to have a $600 billion deficit for an entire year, that was happening in just one month during the pandemic. As this review is being drafted, the yearly deficit now exceeds $3.5 trillion, a figure as large as the annual national budget itself.

Our center warned that while spending on our frontline medical workers and first responders was essential, as was shoring up the safety net for those displaced by the pandemic, we must take this as an opportunity to address the structural imbalance we have within our federal budget.

This is the time to reverse the trajectory of escalating costs within Medicare and Social Security. We promoted a commission similar to what existed for closing superfluous military bases. Unlike the Simpson/Bowles Commission of 2010, which merely produced recommendations, this commission would be similar to BRAC which was authorized to actually implement cost controls. Congress would be able to overturn their decision with a majority vote, but it would at least get the ball rolling. Since legislators are so skittish about making tough decisions, this may be the only way to get these programs under control.

On a more micro level, it is property taxes that are crippling local taxpayers in certain states and regions of the country. The average property tax bill in Westchester county is $17,000 a year. On Long Island bills exceeding $12,000 are common.

We highlight the fact that these bills are able to escalate through something we refer to as tax creep. That's the concept of $20 here and $30 there that add up to $1000 increase in a single year. We actually use the example of one taxpayer who saw increases in his water bill, police district fund, school bonds and even the library.

This is why we've been such strong advocates of tax caps and balance budget amendments. These measures force prioritization so lawmakers are no longer at liberty to just add another property tax cap Into perpetuity. This is significant since, from its inception in 2012, it has saved local taxpayers over $6 billion in taxes they otherwise would have paid.

On a national level, we've called for the implementation of a balanced budget amendment. State and local government's are required by their constitutions and charters to balance their budgets. Only the federal government gets a pass. It doesn't have to be ironclad.. There can be rational escape hatches for emergencies, such as pandemics, war or other highly unforeseen circumstances. But at least we would have some type of controls on the spending habits of our officials in Washington.

It is simply not moral to continue to pile this unconscionable level of debt onto our children and grandchildren.

How Creeping Taxes Are Destroying Long Island

BY STEVE LEVY · JANUARY 19, 2020

If you want to know why taxes on Long Island are so high, pay attention to tax creep. It's the $20 here and $30 there that add up to almost $1,000 in higher taxes annually.

How many times have we heard that there's no reason to fret; the proposed increase on that new bond is only $20 per month?

That's what taxpayers in one district heard when a new library was built. That's another $240 a year, before they've even factored in their school's operational increases. A typical 3 percent increase for a guy like me comes out to about an additional $218.

That's on top of the extra $140 for the recent school bond that passed on the theory that it was only another $12 per month.

When Suffolk County police got their latest contract, we were told it's only $35 more a year. This, while the town was saying its modest general fund increase was only another $18.50 a year.

The Suffolk County Water Authority is going to take a certain chemical out of its system? Rejoice, it's only going to be an extra $80 annually. That doesn't include the usual increases for general operations. And there's the other county initiative floated to take another $300 annually for more "water cleaning" programs? Not to mention the $21,000 they want some to spend to replace our cesspools.

Meanwhile, New York State is giving us offshore windmills, while we continue to pay to subsidize inefficient upstate nuke plants. Another $30 a year for that. That's on top of National Grid's increase of $38 approved for 2020. By the way, the utility is presently asking for another hike of almost $100.

Look also to your cell phone bill, where in New York, taxes comprise 28 percent of the bill. The average is $260 per year, up from $229.

The $20 here and $30 there just added up to a whopping $813 theft from our pockets on these items alone.

Former Senate Floor Leader Everett Dirksen once said, "A billion here, a billion there pretty soon, you're talking about real money." Same for the local level. $20 here. $3C there. Soon you're talking about a grand in extra taxes and fees.

And they wonder why we are leaving?

Steve Levy is a former Suffolk County executive and current president of Common Sense Strategies.

Steve Levy

Media refuses to admit that tax cuts brought in more, not less, revenue

Last week Newsday ran an editorial "Another week, another Trump reality show", that once again falsely claimed that the 2017 federal tax cuts led to a spiraling deficit.

In It's criticism of Trump's call for lower interest rates, Newsday cites the fact that unemployment is near record low, the stock market is up by 40% and consumer confidence is strong.

A few paragraphs later it states, "The deficit Trump vowed to eliminate is about to hit $1 trillion, because the tax cut he promised would stimulate tax revenues didn't."

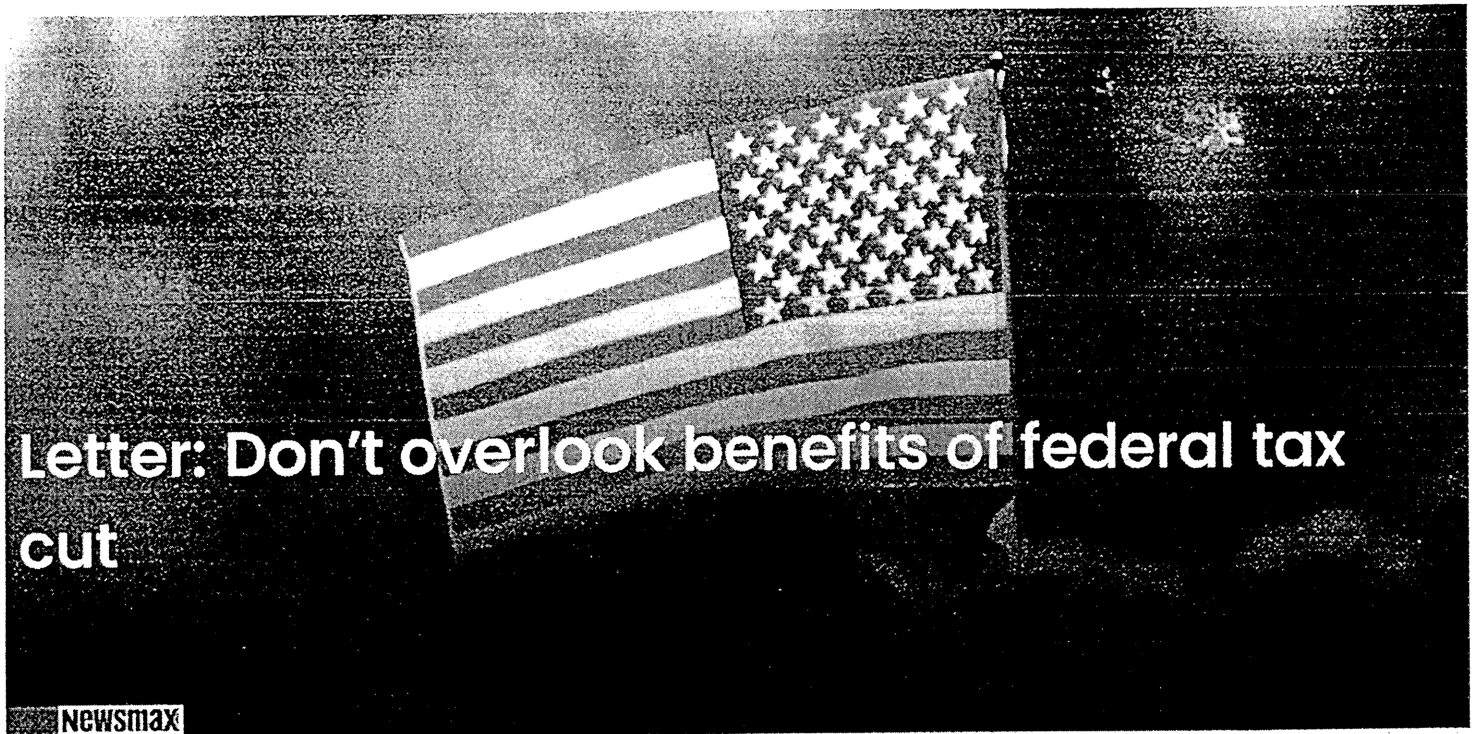
The enhanced consumer confidence, stronger stock market and lower unemployment are all indeed a direct result of the stimulus that was created by the tax cuts. And while Newsday snipes at Trump for his inaccuracies, and understandably so, it makes a glaring inaccurate statement itself by claiming that the tax cut exacerbated the deficit and led to fewer revenues being collected.

In fact, there is a record amount of revenue being collected today, despite the fact that corporate taxes were cut. That's because more people are working and earning more money that the government eventually taxes. Attached is a recent editorial from the NY Post that got it right.

Yes,the deficit is up, but that is purely because both Trump and the Congress have engaged in record reckless spending. Now that's the subject of a good future editorial.

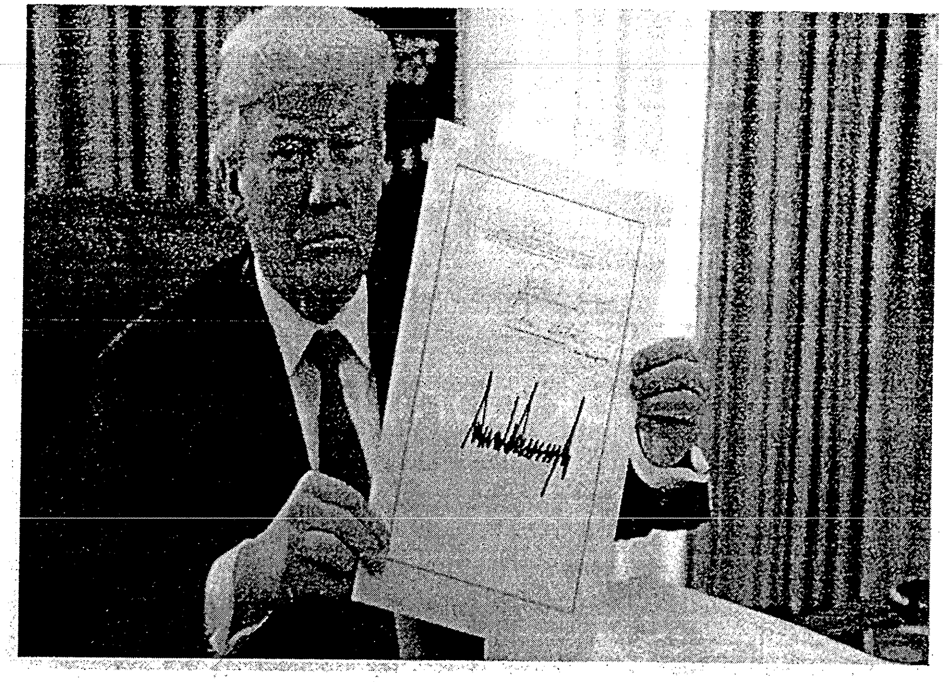
STEVE LEVY

Request Steve



Letter: Don't overlook benefits of federal tax cut

Newsday



Your Aug. 10 editorial "100B tax cut for top 1 percent?" is misleading in suggesting that the 2017 tax cuts led to lower revenues and a higher deficit. While it correctly cited lower corporate tax receipts, total collections including personal income taxes have grown by $31 billion in the fiscal year that began in October, according to the Congressional Budget Office.

This isn't surprising; history proves that tax cuts work in raising revenue. President John F. Kennedy's tax cuts increased revenue by 62 percent over seven years (33 percent when adjusting for inflation), while President Ronald Reagan's cuts lifted revenues by 54 percent over six years (28 percent when adjusting for inflation), according to the Heritage Foundation.

Newsday is wrong to blame the tax cuts for the growing deficit. The real reason is excessive spending. Had federal officials not rammed through a record $1.3 trillion budget, we would see a lower deficit, thanks to the tax cuts.

The tax law's cap on deductions for state and local taxes is flawed, but we can't ignore that local sales tax receipts are higher than projected due to the hot economy, or that the wealthiest Americans are now accounting for a higher percentage of tax payments. Data from the nonpartisan Tax Policy Center, reported in The Wall Street Journal, show the share of income taxes paid by the top 1 percent will reach 43.3 percent this year, compared with 38 percent last year.

Steve Levy, Bayport

Editor's note: The writer, a former Suffolk County executive, is executive director of the Center for Cost Effective

Reply Reply All Forward

ılist Hypocrisy on Wall St.

nmon Sense Strategies (steve@commonsensestrategies.com)

Details

Volume XX | Month Day 20XX

COMMON SENSE STRATEGIES LLC

April 5th, 2019

Dear Steve.

Common Sense Corner
by Steve Levy

How ironic that some of the same elected officials who disparage Wall Street and capitalism are going bonkers over the fact that state government coffers will be smaller this year because Wall Street employees are experiencing a drop of nearly 17% to their average bonuses.

The dirty little secret kept by many anti-capitalist lawmakers is that they secretly pray that the Wall Stree employees they love to publicly bash will make a killing on the earning side so that those wages can be taxed to the hilt. And when these progressive legislators get their hands on the Wall Street dollars they s covet, they are able to fund the many programs that they wish to target for the indigent and the working class.

While many publicly claim that there is no such thing as "trickle-down economics," they know deep dow that when Wall Street traders get big bonuses, they spend that money on new cars, furniture, tourism, eating out, boats, and other consumer products that many businesses in our economy depend upon.

The moral of the story is: Beware killing the goose that laid the golden egg. There really is truth in President John F. Kennedy's economic theory that "a rising tide floats all boats." (His tax cuts led to enviable economic growth.) Or, to put it another way: A growing pie feeds everyone, even if the size of the slices varies from person to person. Getting equal slices of a very small pie is what they get in Nortl Korea. Let's remember that the next time socialist Congresswoman Ocasio-Cortez calls for an attack against the business community.

CENTER FOR
Co$t Effective
GOVERNANCE

January 4, 2019
Kudos to Governor for vetoing bill giving three months paid leave to grieve

Dear Steve,

A big thank you must go out to Gov. Andrew Cuomo for vetoing an awful bill that would have required employers to provide up to three months of paid leave for employees to grieve for the death of their grandparents.

Our center was one of the few outlets to broadcast how insane this bill was. We helped educate the public about it and mobilized citizens to call the governor's office imploring that he not support it.

This just goes to show that speaking out can have an effect.

It was not expected that the governor would veto this measure, especially since he suggested he supported it at his debate in the gubernatorial primary. It looks as though, however, that cooler heads have prevailed. In large part it's because of the work of fiscal watchdogs such as our center, and the people who do indeed reach out to government officials out when they learn about this type of abuse.

It is shocking that this bill actually passed out of the then Republican controlled Senate. Fortunately, the governor did the right thing by stopping this from being implemented.

It's one thing to provide paid leave off to care for an ailing loved one. It's quite another to have three months of paid leave to grieve.

Sincerely,

Steve Levy
Executive Director

Center for Cost Effective Governance (costeffectivegov@gmail.com) Thu, Se

): you Details

You might be interested in this letter written by our Center board member Ed Kelly to Newsday, in response to a letter to the editor from a New York millionaire who proposed an increase in taxes to deal with the state's fiscal problems.

The letter notes that we have tried this type of tax increase in the past with little success. Taxes were rising in 2013, yet the economy stayed stagnant. Once taxes were cut in 2017, even for millionaires, it led to a thriving economy. The latest coronavirus only stopped that. We should learn from history.

CENTER FOR Co$t Effective GOVERNANCE

Dear Editor:

Multi-Millionaire letter writer Morris Pearl (Taxing NY's rich more? Why not?, March 8]. sounds magnanimous calling for lawmakers to raise taxes on rich guys like him to deal with the state's fiscal woes.

If that policy would work in closing deficits, spurring the economy and creating job growth and higher wages, our think tank would be all for it. However, history shows the opposite.

Pearl calls for imposing a tax on high priced yachts. A yacht tax was imposed in the mid-80s as a push back against Wall Street fat cats. What actually happened, however, was the wealthy stopped buying yachts and simply invested in other high-end goods. Boat factories were crippled, laying off large numbers of working class people, who then begged their representatives to remove the tax. Indeed, Congress did.

Taxes were raised on the rich in 2013, but it did nothing to end the sluggish growth at the time. When, in 2017, taxes were cut for millionaires like Pearl, it led to a roaring recovery with record low unemployment and higher wages for the working classes, and a record in tax revenues collected. We'd rather see a tax cut for people like Pearl, if it means more prosperity for all, than a tax increase that leads to lower wages and fewer jobs.

Truly yours,
Ed Kelly
Board member,
Center for Cost Effective Government

COMMON SENSE STRATEGIES LLC

August 26, 2019

It's time to end six figure payouts for retiring government employees.

Newsday recently reported that the Nassau Comptroller received $108,000 for unused sick time when he resigned after a short stint as the Long Beach City Manager. The controversy centered on the claims that he received approximately$6,600 more than which he was entitled.

The question shouldn't just be whether he got too much money, but, rather, why we are continuing to allow a system where government employees are getting six-figure payouts for unused sick days in the first place.

Some higher paid officials, especially in law enforcement, commonly retire with two, three, even four hundred thousand dollars in unused sick and vacation days. The payment for the sick day is not based upon the salary at the time the sick day is banked, but on the salary upon retirement, which can be three to five times higher than the wage decades earlier.

Folks in the private sector can't even fathom such payouts.. In most cases, when it comes to their sick days, it's use it or lose it.

And not all municipalities have such outrageous provisions within their contracts.
For instance, police in New York City get generous sick time for when they're truly sick, but aren't allowed the bank unused sick days for a cash out when they retire. If that system is good enough for city employees, why is it different out here on Long Island.

The problem is, once these provisions are embedded in the contract, it is very difficult to get them out. The union won't give them up unless they get some other perks in return via the negotiation process.

That's why our Center has been fighting so vigorously to have the state legislature take the step to eliminate these paid sick days through legislation or by creating control boards with teeth.

If you want to know why it's so expensive to live on Long Island, this is one of the reasons.

COMMON SENSE STRATEGIES LLC

Newsday

Records: Schnirman paid for more sick days than he was entitled to after Long Beach exit

Newsday recently reported that the Nassau Comptroller received $108,000 for unused sick time when he resigned after a short stint as the Long Beach City Manager. The controversy centered on the claims that he received approximately$6,600 more than which he was entitled. Click on the link above to see the full article.

The question shouldn't just be whether he got too much money, but, rather, why we are continuing to allow a system where government employees are getting six-figure payouts for unused sick days in the first place.

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LONG ISLAND / POLITICS

Records: Schnirman paid for more sick days than he was entitled to after Long Beach exit

Nassau County Comptroller Jack Schnirman, who had resigned as Long Beach city manager in January 2018, had never signed his termination pay agreements, which ask him to certify that the reported time and money owed him were correct, records show. Credit: Danielle Silverman

By Celeste Hadrick
celeste.hadrick@newsday.com
Updated August 17, 2019 2:39 PM

Nassau Comptroller Jack Schnirman, who received $108,000 for unused time when he resigned as Long Beach city manager in January 2018, was paid for more sick days than he was entitled to after six years on the job, earning about an extra $6,640, a review of public records shows.

Records also show Schnirman never signed his termination pay agreements, which ask him to certify that the reported time and money owed him were correct.

Newsday reported in May 2018 that Schnirman received full pay for unused sick days even though city code and his employment contract limited payment to 30 percent of the accumulated sick days.

Sources say federal investigators in recent weeks interviewed current and former Long Beach City Council members about Schnirman's termination pay for the first time since controversy over city employee payouts began in April 2018.

Investigators for the FBI and the U.S. Attorney's Office for the Eastern District of New York, sources say, asked questions about the council's oversight of Schnirman's employment contracts and the money he received for unused vacation and sick days after he resigned Jan. 1, 2018. Schnirman, a Democrat, took office that day as the newly elected Nassau County comptroller.

In some conversations, sources say, investigators focused on the 30 percent limit on sick-time payouts.

Also, state Comptroller Thomas DiNapoli and Nassau County District Attorney Madeline Singas, both elected Democrats, have been investigating Long Beach payouts for more than a year. Spokeswomen for both declined to comment because their investigations are ongoing.

The city council approved three two-year contracts for Schnirman but members have said they had no oversight of the payouts, which typically are approved by the city manager.

A spokesman for the U.S. attorney's office declined to comment.

Schnirman said he depended on city staff to calculate his time and that he would cooperate with investigators.

"I welcome any and all professional reviews of how the City of Long Beach has processed and compensated earned leave obligations over a period of many years and several administrations," Schnirman said in a statement. "I'm not going to get involved in the political games of trying to undercut a professional review."

Schnirman continued: "When it comes to how my time was processed and compensated, here are the facts — like any management employee, I documented my time. Like any management employee, those records were submitted to the payroll department. Like any management employee, the professional staff processed those records and ultimately calculated any payments I earned for accrued time."

"As I've said previously, my understanding is that all earned leave payments were calculated properly and policies executed with the advice of counsel. If a professional review shows the City of Long Beach made any error in my payment, I would seek to return any funds paid in error, as I trust anyone would do."

Nassau County Legis. Denise Ford, a Long Beach Democrat who caucuses with Republicans, provided Newsday with public records gathered by a group of Long Beach residents through Freedom of Information requests. The records include six years of Schnirman time sheets from January 2012, when he started as city manager, through 2017. Newsday provided the time sheets to Schnirman.

Schnirman said in a statement, "I cannot verify potentially incomplete documents provided by a third party, or any analysis done based on them. As I said, my information was submitted over six years like any other management employee to the city's payroll department."

Ford said residents requested from the city all documents related to the payouts.

Long Beach residents, including Ford, have been demanding investigations since April 2018 when the city council refused to borrow $2.1 million to cover payouts already made to employees and retirees, including Schnirman.

City officials warned Long Beach could run out of money without the borrowing, and proposed a large property tax increase.

In June 2019, a state board that analyzed Long Beach finances reported that the city had adopted four consecutive budgets with overestimated revenues and underestimated expenses, resulting in four deficits over the past four years. It projected a $1 million deficit in 2019.

"Long Beach has borrowed $15 million since 2012 to fund high-cost separation payouts, made possible by generous time accrual policies," the State Financial Restructuring Board reported. "The board has yet to encounter a municipality in the state that provides payouts of this magnitude."

Newsday reported last year that Schnirman, who earned an annual salary of $173,871, was overpaid more than $53,000 when he left the city. Newsday reported that Schnirman was paid for slightly more than 52 vacation days — even though his contract and the city code limit termination pay to 50 unused vacation days.

Newsday also reported that he received full pay for 110 unused sick days, instead of 30 percent as stipulated in his contract and the code.

But the records Ford provided show he could have accumulated only 100 sick days during his six years in Long Beach, including incentive days granted to union employees.

Schnirman subordinates approved his separation pay, which was recorded on two reports.

The city code and Schnirman's contract say exempt nonunion appointees such as Schnirman are entitled to many of the same benefits as members of the city's Civil Service Employees Association. But both the code and Schnirman's contract say accrued sick days will be paid at 30 percent.

Schnirman's work time sheets show he used one sick day in 2016. He also reported taking a total of about 17 personal days and 30 vacation days over six years. His time sheets indicate he took no time off during 2012, his first year as city manager.

According to union rules for personal days, Schnirman could convert unused personal days to sick time and qualify for two additional personal days a year under certain conditions if he used no sick time. But even adding converted time still brought total sick days Schnirman could have accumulated to 100.

At 100 percent pay, the 10 extra days amounted to an additional payment of about $6,640.

By Celeste Hadrick
celeste.hadrick@newsday.com
Celeste Hadrick covers government and politics in Nassau County.

From: costeffectivegov@gmail.com,
To: caval50@aol.com,
Subject: $200K Salaries Common in Suffolk Govt
Date: Thu, Sep 17, 2020 10:09 am

CENTER FOR
Co$t Effective
GOVERNANCE

LONG ISLAND / POLITICS

Suffolk government's $200G earners up 25% in past year

More than 1,200 county workers earned more than $200,000 in 2018, compared with 966 in 2017, according to new county data.

Suffolk government's $200G earners up 25% in past year

April 22, 2019

Hello Steve,

The Newsday article linked herewith illustrates how state mandates such as mandatory arbitration and the Triborough Amendment have led to such outlandish salaries in the public sector.

In 2018, more than 1,200 Suffolk County employees earned in excess of $200,000 a year, amounting to nearly 10% of the county workforce. Nearly 85% of those earners were in law enforcement. Nassau has over 650 employees earning above the $200,000 threshold.

It is one of the reasons why police taxes in Suffolk have risen by about 9% in just the last 2 years.

Arbitration, which is mandated by the state after a negotiation impasse occurs, has fostered a leapfrogging of salaries from one county to another over the last several decades.

The Triborough Amendment gives union employees in New York continued step salary increases, even after the contract has expired. This lessens incentive for municipal unions to provide givebacks in a negotiating process.

The state failed to reform these horrific mandates in its latest budget, but still has the opportunity to do so before the session ends in late June.

These needed reforms will only come about when editorialists and the public at large demand it from our elected officials. The first step in solving a problem is to identify its source [i.e. these burdensome mandates]; the second is to provide a solution [i.e. eliminate arbitration and Triborough]; and the third, and most important, is the political will on the part of our representatives to make the changes.

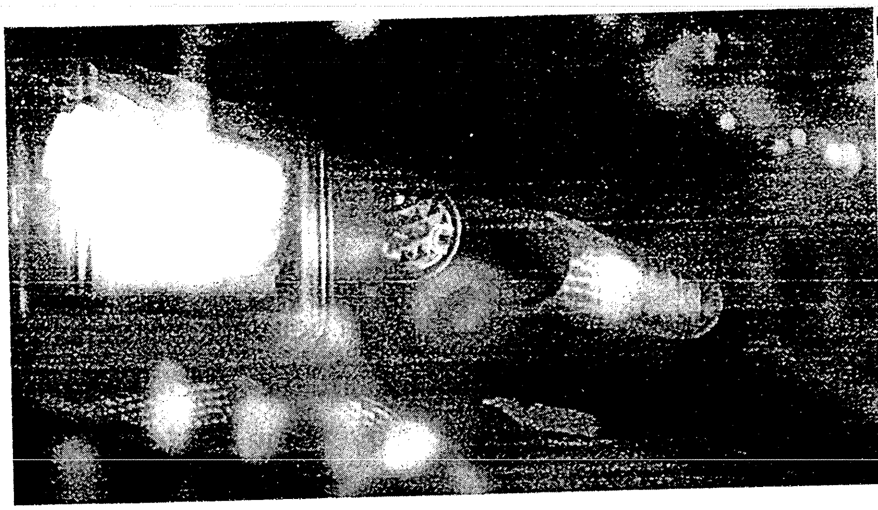
Our center has identified the problem and the solution. It is now up to members of the public to motivate their representatives to reform this broken system that has led New York to become the state with the most residents fleeing to cheaper pastures.

Sincerely,

Steve Levy, Executive Director
Center for Cost Effective Governance

OPINION / **EDITORIAL**

An enormous burden on Long Islanders



LI's billion-dollar termination pay liability for police is unfair. Credit: Getty Images/iStockphoto/istock

By The Editorial Board
June 22, 2020 7:18 PM

A recent Newsday investigation added another financial worry to the staggering deficit numbers confronting Long Island municipalities as they struggle to deal with the monetary crisis caused by the pandemic.

Nassau and Suffolk each has at least $500 million in termination pay liability for public workers, mostly for police officers, who individually will be paid out hundreds of thousands of dollars for unused sick and vacation days when they retire. Towns and villages that have their own police departments also face these enormous expenses.

Newsday reported that Long Island residents have a per-capita termination pay burden that's four times the average in the rest of the state. And it's for no good reason.

Generous contract provisions that grant officers more than 70 paid days off per year including sick time do nothing to make residents safer, yet both Nassau and Suffolk and most local forces on the Island include such terms. That means the average cop salary before overtime of $133,063 in the Suffolk County Police Department and $121,659 in the Nassau County Police Department is premised on an average workweek of just under 25 hours.

But most experienced cops on Long Island work more hours than that, and earn more than that. They earn more because of overtime, and work more because of both overtime and the practice of banking time off rather than taking it. And they don't have to save many days off to garner termination checks that now average over $250,000 for patrol officers and can be as much as $500,000 for higher ranks.

Taking 50 paid days off a year (that's 2 ½ months) and banking 20 other days allows an officer to save enough time over a career to hit the maximum of two years of salary in termination pay in Nassau and one year and nine months in Suffolk.

And when that time is paid, it's calculated at the officer's final pay rate, not what he or she was earning when it was banked.

New York City officers, by comparison, get a maximum of three months termination pay and can't bank sick time. And their total annual pay lags what Long Island's officers earn by 75%, on average.

Long Island taxpayers shouldn't have to pay, but for decades state law that protects cop contracts in return for banning strikes, and a political system that has elected officials terrified of police unions have combined to create such out-of-control pay and perk combinations.

Now, though, municipalities are broke, and a recent federal appeals court decision supporting the pay freeze Nassau County instituted several years ago implies that, contracts or not, municipalities that can't pay don't have to pay, particularly if they have control boards. And those without control boards may increasingly seek bankruptcy, another contract crusher.

Most Long Islanders don't begrudge cops a fair day's pay for a fair day's work, but 70 paid days off a year and huge bonuses upon retirement aren't fair.

That's why practically no community in the nation, outside of Long Island, provides such extraordinary packages.

— *The editorial board*

By The Editorial Board

COMMON SENSE STRATEGIES LLC

January 28, 2019
Contact 631-877-0940

Cuomo's call to extend mandatory arbitration is a disaster for taxpayers
by Steve Levy

Among the menu of items stuffed into Governor Andrew Cuomo's 2019 budget speech was a little noticed call to extend for five years the concept of mandatory arbitration for various municipal union negotiations. This would be a disaster for New York taxpayers, since arbitration is the root cause of exploding public safety costs that are devouring many local budgets.

Traditionally, the mandatory arbitration process is set for a two year period and must be renewed by the state legislature for an addition two years or it will expire. Ironically, this under-the-radar proposal to extend this awful provision for an unusually long period comes at a time when local governments are crying out for the state to eliminate the burdensome mandates foisted upon lower jurisdictions.

The governor should be praised for seeking to make the 2% tax cap permanent. But it is inconsistent to place further burdens on the local governments that have to live within this budget restraint, while simultaneously imposing the budget busting mandatory arbitration on them once again.

Back in 2001, I was the only member of either house of state government to vote against extending mandatory arbitration for another two years. I did so because I had the experience of previously serving as the Ways and Means Committee chairman in the Suffolk County Legislature.

At almost every door I knocked on, my constituents' number one complaint was high property taxes, and one of its biggest causes was the fact that law enforcement salaries were set at ridiculously unaffordable heights due to the mandatory arbitration mandate.

The concept is simple. When union leaders know that they can get what they want from the arbitrator - and they do - why in the world would they provide concessions by earnestly negotiating with county management?

Arbitration gives both the unions and cowardly elected officials what they want. The officials can pretend they fought a hard bargain, yet be ensured they don't tick off the unions. The unions get what they want and the electeds blame the arbitrator. The loser is the taxpayer.

Instead of looking to see what the public can afford, the arbitrators instead would set wages based upon what neighboring departments last received. On Long Island, this resulted in a classic leapfrogging effect, where an arbitrator setting Suffolk's wages would award a 5% increase, noting that neighboring Nassau just received 4.5% last year. Once the Nassau contract expired, an arbitrator would look at Suffolk's 5% as the new base line.

This crazy system explains why Long Island's officers earn far more than their New York City counterparts, despite urban policing being far more dangerous. It could fairly be said that while the suburban officers were overpaid, the city officers were underpaid. Long Island had mandatory arbitration, while the City did not. But instead of ending arbitration for the suburban counties, the state wound up of giving the City the same arbitration authority.

Just how crazy are these arbitration salaries? Well, consider that Long Island police:

*Have detectives now earning $227,000 in base salaries.

*Receive over 113 paid days off annually, including 26 sick days; 25 " X " days in between shifts; and up to six weeks vacation.

*Can bank sick and vacation days not used, so that cops retiring receive severance checks of up to $400,000. Though the sick days may have been accumulated during their rookie years, they would be compensated based on their higher last year's salary.

*Have overtime factored into their pensions, which are based on the last years of service. Consequently, a base salary already over $200,000 may rise to $300,000. A pension of $150,000 is not unusual.

Good luck trying to find an arbitrator who slants more toward the taxpayer. They make out very well in these deals and want to be called upon again in the future. They know that only happens if the unions leave the table happy. Traditionally, politicians would go along to get along, and look the other way. But, in Suffolk, the giveaways from one arbitrator - who resided in Nassau - were so outrageous that it led to a law to actually ban those not living in Suffolk from being considered for the post.

When I became Suffolk Executive, I pleaded for the state to vote arbitration out of existence by simply refusing to extend it when it expired. But state legislators had no skin in the game in seeing county taxes rise, yet certainly had an incentive to keep the union campaign contributions flowing. The best we could hope for was to one day reach a tipping point where the state would wake up and give us the mandate relief we asked for.

Unfortunately, with the governor's new plan, we seem to be going in the opposite direction. Will there be enough brave legislators to push back and protect taxpayers? If past is prologue, I wouldn't count on it.

Steve Levy is President of Common Sense Strategies, a political consulting firm. He served as Suffolk County Executive, as a NYS Assemblyman, and host of "The Steve Levy Radio Show."

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DOES ANYONE CARE THAT THE DEFICIT WAS $864B FOR JUST ONE MONTH?

by Steve Levy

Does anyone care that the federal deficit just hit $864 billion for the MONTH of June alone. It was once considered unworldly for a budget deficit to be that much for the entire year.

Meanwhile our national debt has exploded by several trillion dollars over the last six months to a grand total of $26 trillion.

Granted, we are facing unprecedented times with the havoc being imposed by the pandemic. And we certainly need to infuse money into the economy to keep our businesses and displaced residents afloat.

This temporary spending increase is certainly justified to a certain degree, but not if it is done without being coupled with serious reforms to our structural deficit.

It's often been said that we should never let a crisis go to waste. If ever there was an opportunity to insist upon structural reform, the time is now.

If states are going to get money to help them deal with the loss of sales tax revenues, why not couple the bailout grants with a demand that they start controlling their pension obligations?

If the federal government is going to continue to provide more money to people to be remain unemployed, perhaps - once the pandemic is over - we should insist on a return to the type of Workfare requirements established in the Clinton administration.

No one wants to talk about entitlement reform, but how can our present generation continue to accumulate these massive increases in entitlements and expect future generations to have to foot the bill.

A commission should be empaneled to address the entitlement dilemma. It should be created along the same lines of the BRAC commission, which was tasked with deciding which surplus military bases would be shuttered after the end of the Cold War in the late eighties.

Since Congress didn't have the guts to make the call itself, it punted to the BRAC Commission, which was authorized to implement the cuts. Its recommendations took effect, unless Congress took an affirmative step to reverse it. We should be doing the same thing with entitlement reform, since our elected officials have proven themselves to be too feckless to step up to the plate and do what has to be done. If they need cover, then so be it.

If this spending trend continues, future generations will be paying more in the budget on interest on our debt then they will on any other portion of the budget.

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US deficit hit a record $3.1 trillion for the current fiscal year.

This more than doubles the previous record deficit of 1.4 trillion in the early days of the Obama administration in the midst of the Great Recession.

Remarkably, revenues decreased a mere 1.2%, which runs counter to the theory that it was the tax cuts in 2017 that led to this deficit. Prior to the pandemic, revenues were actually increasing The increase in the budget gap was almost entirely a result of massive spending related to the pandemic, and to a lesser extent, the typical obligations related to entitlements.

MTA near fiscal collapse.

The pandemic has resulted in a 70% reduction in ridership in the MTA transit system. This has led to a hemorrhaging of their revenues and accelerated their path toward fiscal collapse..So the question must be asked,why has not the MTA downsized during this period.

They've done nothing to restructure or to eliminate the horrific work rules that result in outlandish overtime or tremendous wasteful spending. Wouldn't this have been the time to implement these changes rather than just sitting back and praying for a federal bail out?

Suffolk County puts all its hopes on a federal bail out

Local governments are also tying their fiscal health to a potential federal bail out. The feds already gave Suffolk $250 million. But what if a second batch of money never comes. The county's deficit, which was huge even before the pandemic, was not exacerbated so much because of pandemic related costs, but rather because of the cratering of sales tax due to the shut down ordered by the governor. States In the south and west which did not shut down as dramatically.

New York officials can't control what the feds will do with bail outs, but they can affect what the sales tax revenues will be. We know continued shut downs will continue to devastate local governments and taxpayers.

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November, 2020

CALIFORNIA VOTERS UPHOLD GIG ECONOMY

Amidst all of the understandable attention focused on the presidential election, there was a vote in California that flew under the radar that has enormous significance throughout the nation.

A referendum was approved by California voters that would exempt workers for app-based companies like Uber, Lyft and DoorDash from being classified as "employees" rather than "independent contractors."

An earlier California law had required that these companies to classify their workers as "employees" thereby granting them benefits such as minimum wage, overtime and sick days.

This may sound like a good thing for the workers, but in fact it could be devastating to the industry as a whole, and the workers themselves.

People working in these sectors are considered part of the "gig economy." As independent contractors, they have enormous flexibility, which allows them to schedule their work hours around their family or other employment needs. If companies were required to pay all the benefits associated with them being employees, their employment will no longer be profitable to the companies. Many of these jobs will simply dry up. And those that remain would be far more restricted regarding worker flexibility.

In many of these jurisdictions, the workers themselves were the biggest opponents to these well-intentioned workers' rights bills being passed by politicians.

The passing of this referendum, which exempted these workers from employee status, is a victory for other gig workers around the nation who feared that this trend would spread. There is presently an effort to kill the gig economy in New York.

Consumers are also the beneficiaries of keeping these workers classified as independent contractors. Moving these employees into employee status would have a significant deleterious impact on the company's profits, thereby significantly increasing the cost of an Uber trip or food delivery.

This is a case where the common sense of the people overcame the pandering of do-gooder legislators trying to get a praise worthy press release.

Steve Levy,
Executive Director

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November 2020

Taxpayers say NO to more taxes in various Referenda

https://www.city-journal.org/ballot-initiatives-go-bust?utm_source=Twitter&utm_medium=Organic_Social

Earlier this week we sent out a notice about the good news in California where the public passed a resolution to overturn state lawmakers who had designated gig workers, such as Uber and DoorDash drivers, as employees rather than independent contractors.

But there were other promising referendum results as well. An attempt to raise the state income tax from about 5% to Almost 8% for some Illinois residents was defeated. This is shocking in a liberal state such as Illinois, but that anti-tax backlash was mirrored in no less than California, where Proposition 15 - which was designed to revoke elements of the 1978 Proposition 13 - also appears to be going down to defeat.

Readers may recall that Proposition 13 implemented one of the nation's first tax caps. It worked remarkably well and kept California property taxes under control. This year, a number of well-financed California unions, including the California Teachers Association and the Service Employees International Union, sought to overturn the tax for businesses. The fact that this measure failed in free spending California is quite striking. Perhaps voters truly do want their governments to be more efficient and less expensive.

Steve Levy,
Executive Director

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THE GOVERNOR HAS TOO MUCH BUDGETARY POWER

A movement is afoot within the state legislature to create a greater balance between the governor and the legislature in crafting the state's $180 billion budget.

The prime sponsors ae progressives within the legislature. We don't usually agree with their tax and spend policies, but we do believe that there is a need to change the state constitution - which provides more powers to the governor than any other state in the nation.

In a 2004 lawsuit, Silver v. Pataki, the court ruled that the governor has so much power that he can change laws totally unrelated to budgetary matters by simply incorporating the new language of law into his budget presentation. It thereafter automatically becomes law unless the legislature can muster enough votes to change the budget.

That is the reverse process that would normally occur where a governor or executive would have to submit policy bills before the legislature and seek a majority vote to affirmatively pass the bill.

The irony is that these powers within the governor's office actually help keep a lid on some of the legislature's desires to spend more money. But that's not the way the process should work. The majority should rule in any legislative body, and the entity closest to the people - that being the legislature - should have an equal say in how policy is enacted within the state.

If voters don't like the direction the legislature is taking, they always have a remedy every two years at the ballot box.

Click this link to read more about the proposal.
https://webcache.googleusercontent.com/search?q=cache:G348zvLxI7MJ:https://www.mysanantonio.com/news/article/Efforts-to-give-New-York-legislators-more-budget-15429104.php+&cd=1&hl=en&ct=clnk&gl=us

Sincerely,

CHAPTER 7
MAKING SCHOOLS MORE EFFICIENT AND PURCHASING OFF A FEDERAL VENDOR LIST

Several years ago, our center initiated a nationwide process to seek federal legislation to permit local schools to purchase goods through federal vendor lists.

For decades, individual schools have been able to achieve economies of scale by making purchases off of state pre-approved vendor lists. The enhanced competition offered by these lists have benefited local taxpayers.

Our center was surprised to learn that there is not a similar opportunity for schools to purchase off the much larger federal vendor list. There seems to be little to no rationale for this difference in how state and federal lists are treated, other than perhaps parochialism of those pushing their own state vendors.

Our center drafted a bill that was introduced by Long Island Congressman Lee Zeldin. When the power in the House shifted to the opposing party, we reached out to Congressman Tom Suozzi to carry the bill. He did so and it is presently in committee.
We reached out to superintendents and school boards throughout the region informing them of our efforts so they might provide input on the bill.

We are continuing to monitor the status of the legislation.

We have also been promoting greater efficiency via the use of buying consortiums and consolidated purchasing.

Additionally, we pushed back against the decades old mantra that the only way to better our schools is by throwing more money at them. The fact is, many states have tripled aid to their schools with little to show for it in terms of student performance. We highlighted the fallacy that poorer districts spend less per pupil than wealthier districts. While the property tax base may be greater in wealthier districts, that gap is closed by the substantial amounts of state aid that flows to lower wealth districts.

Our center also lent support to the effort to make New York's property tax cap permanent. The cap forces schools to prioritize their spending. Since put into effect a decade ago, it has saved taxpayers billions of dollars. The rate of growth in tax levies decreased to approximately 2% annually after the cap was imposed, as opposed to the 6% increases that were typical prior to the cap.

But the cap had to be renewed every few years. There was fear that pressure from the unions would allow the cap to sunset, but our efforts proved successful when the state legislature made the cap permanent.

Details ∨

CENTER FOR
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Help Schools Get OK to Tap Federal Vendor List
June 14, 2019

Dear School Official or Community Leader:

The Center for Cost Effective Governance has been working with local school officials and congressional leaders to implement a landmark law that would give schools throughout the nation the authority to effectuate cost savings through the purchasing of goods and services off the federal vendor list.

As you know, schools can presently buy off the New York State vendor list. This is a very competitive list that helps administrators find lower cost items to procure. The system has worked well for decades.

The question is; why was this concept never expanded to the larger federal list? When our center began inquiring, we found no good reason for why it was never implemented. The answer we eventually found was that no one ever pursued it.

Last year, at our request, Congressman Lee Zeldin drafted a bill to effectuate this idea. The bill has since been filed as #H.R.3187 sponsored by Congressman Tom Suozzi, who is a member of the majority.
The congressmen are asking for letters of support from our administrators and school boards to help provide momentum in getting the bill out of committee.

Would you be so kind as to consider drafting a short letter of support?
Attached is a sample letter that you may wish to use as a template.

Center for Cost Effective Governance (costeffectivegov@gmail.com) Thu.

To you Details

CENTER FOR Co$t Effective GOVERNANCE

August 14th, 2019

Schools Can Save By Purchasing Off Federal Vendor List

Dear School Administrator:

The Center for Cost Effective Governance has been working with local school officials and congressional leaders to implement a landmark law that would give schools throughout the nation the authority to effectuate cost savings through the purchasing of goods and services off the federal vendor list.

CENTER FOR
Co$t Effective
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Dear School Administrator:

The Center for Cost Effective Governance has been working with local school officials and congressional leaders to implement a landmark law that would give schools throughout the nation the authority to effectuate cost savings through the purchasing of goods and services off of the federal vendor list.

As you know, schools can presently buy off the New York State vendor list. This is a very competitive list that helps administrators find lower cost items to procure. The system has worked well for decades.

The question is why this concept was never expanded to the larger federal list? When our center began inquiring, we found no good reason for why it was never implemented. The answer is that no one ever pursued it.

Last year, Congressman Lee Zeldin and I drafted a bill to effectuate this idea. It presently sits in the education committee. Congressman, Tom Suozzi, who is now in the majority, has signed on as a sponsor as well. The congressmen are asking for letters of support from our administrators and school boards to help provide momentum in getting the bill out of committee.

Would you be so kind as to consider drafting a short letter of support? Letters can be sent to our Center at the address below, or via our email at costeffectivegov@gmail.com. Thank you for your consideration.

Dear editor,
After residents of Wyandanch schools voted down a proposed 20% tax increase, their Board of Education offered an austerity plan that included the outsourcing of the district's security services, for a proposed saving of $670,000 annually.

Our Center for Cost Effective Government has long been calling for school districts to combine their purchasing power by pooling and/or privatizing services for not only security, but for transportation, buildings and ground, and cafeteria services as well. These are easy savings that do not resort to the more political heavy lift of consolidating districts.

The question is: Why does it take a declaration of austerity for any district to pursue this plan that will save almost $700,000 a year. All districts should be engaging in these cost saving measures to ensure that they never reach the point of having to declare austerity.

May 24, 2019

CENTER FOR
Co$t Effective
GOVERNANCE

May 24, 2019
School Spending Up Despite Cap

Hello Steve,

Now that the school budget votes are behind us, it's time to reflect upon the Newsday editorial from earlier thi week that questioned why spending and taxes continue to rise beyond the rate of inflation, despite the impositi a tax cap. This is something our Center has been talking about for quite some time.

The editorial astutely pointed out that spending on the Island's schools is up 18% since 2012-13, while inflati just 10%. Meanwhile, school enrollment in Suffolk declined by more than 5%.

They mentioned that, in the meantime, the amount that schools have to contribute to pension costs have been halved since they peaked in 2014-15, primarily a result of improved returns from the stock market. Why is it taxes and spending seem to soar when our pension contribution nearly doubles, but never seems to go down the contribution is halved?

They also mention that while press releases touted no raise contracts in the height of the recession, there neve were "no raise" contracts, thanks to automatic annual step increases. They are alluding to the Triborough Amendment, which guarantees the step increase even after a contract has expired. The elimination of the Triborough Amendment has been one of our Center's top 3 mandate relief priorities.

We have also fought to prevent the cap from being circumvented through excessive borrowings.

We will continue to focus on getting our Albany representatives to finally address these issues

Sincerely,

Steve Levy, Executive Director
Center for Cost Effective Governance

OPINION / **EDITORIAL**

Long Island public school spending defies the cap

Wainscott School Board of Trustees, meets for a public hearing about the school budget, in Wainscott on May 8, 2019. Credit: Gordon M. Grant

By The Editorial Board

Updated May 19, 2019 5:00 PM

When Long Islanders vote on school budgets Tuesday, they will be presented with the latest in a string of annual spending plans that are not escalating as quickly as they once did but are still growing at a distressing pace. School taxes are a primary reason why this region is becoming unaffordable.

To stem that, in 2010, New York State imposed a property tax cap of 2 percent a year, or the rate of inflation, whichever is lower, to curb increases that averaged 6 percent annually in the preceding decade.

But mostly because of generous annual increases in state aid that have averaged about 4 percent a year and the exemption of certain expenses from the tax cap, school spending in Nassau and Suffolk counties has risen at nearly double the rate of inflation, despite the cap. Spending on the Island's schools is up 18 percent since 2012-13, while inflation was just 10 percent. That's your money, whether it's funded by state income taxes coming through the back door or property taxes upfront.

School budgeting is complicated, and there is no simple way to conclude that these faster-than-inflation increases mean schools are overspending. However, the largest factors affecting budgets suggest spending should shrink or grow more slowly than inflation, not outpace it, particularly in Suffolk County.

The most obvious explanation for spending increasing faster than inflation would be higher enrollment, but the region has seen lower public school enrollment. Nassau saw a 1.5 percent total population increase from 2012 to 2017, but school population fell about half a percentage point, from 201,579 K-12 students to 200,886. In Suffolk, the overall population fell by four-tenths of a percent from 2012 to 2017, and school enrollment declined by more than 5 percent, from 247,139 students to 234,524.

But in both counties, school spending would increase about 18 percent from the 2012-13 school year through the 2019-20 budgets that will be voted on Tuesday.

Pension costs, a factor that school officials and teachers unions frequently cite to argue that more funding is needed, have plummeted. After the stock market crashed in 2008, pension contribution costs doubled. At the height, in the 2014-15 school year, districts had to contribute an amount equal to 17.53 percent of their payroll for pensions. But the markets recovered and the payments dropped. For the 2019-20 school year, the contribution has declined to 8.86 percent of payroll, a huge savings for districts.

So where does the money go?

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To educators, mostly. When the tax cap passed, and as the economy suffered, many districts touted "no raise" contracts that were never really "no raise," thanks to automatic annual step raises for increased seniority. Now, though, more contracts include annual raises in addition to step increases, and total hikes of 4 or 5 percent are not unheard of.

As technology progresses, school enrollments decrease, pension costs plummet and state aid grows, Long Islanders ought to get a break on property taxes. Yet the vast majority of budgets include property tax increases, and unless the results of Tuesday's vote is a surprise, nearly all will be approved by residents, who continue to cherish their local schools but increasingly cannot afford them. — The editorial board

By The Editorial Board

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CHAPTER 8
LET A COMMISSION IMPLEMENT NEEDED FISCAL REFORMS

In critiquing New York State's budgets in 2019 and 2020, we noticed that the governor and state legislature had ceded to various commissions the power to implement policy ranging from salary increases to the implementation of public financing and other ballot access questions.

Such a process can rightfully be criticized as an abdication of an elected official's responsibility. On the other hand, it is becoming a more frequent option utilized by elected officials to avoid having to make tough decisions.

Our Center noted that if the legislature is now acquiescing to authorizing commissions to make controversial decisions to increase their salaries, they can do the same to implement needed structural reforms that the officials themselves have been too skittish to implement.

We recognize that politicians may be skittish about implementing the type of restructuring reforms that are necessary. Thus, an independent board would be far more likely to achieve this goal.

OPINION

Create a panel to implement f reforms, too

Steve Levy

July 5, 2019 | Updated: July 5, 2019 6:15 p.m.

In an ingenious way of getting a pay raise without having to vote for it, New York state legislators created a non-elected, appointed commission to set their salary level, with the commission's decision to be implemented forthwith, unless the Legislature took an affirmative vote to reverse it.

Now that they've opened the door to punting decisions to faceless panels, let's demand they do the same to enact some needed fiscal reforms they've been too cowardly to touch.

It's not the first time this sleight of hand method had been resorted to in government. After the fall of the Iron Curtain, Congress was under pressure to close superfluous military bases. Voting to do so would have created significant negative pushback on various members of Congress. To sidestep the vote, Congress established the BRAC Commission. Appointed officials would make the ultimate decision on the closures. The legislation creating the commission granted authority to have its findings immediately implemented into law, unless Congress took the affirmative vote to negate it. If it sounds to you that this is a feeble attempt to shield elected officials from accountability, you nailed it. But while the process might seem unseemly, it worked. Bases that otherwise could never be closed, were actually shuttered, thereby saving taxpayers billions of dollars.

The benchmark $79,500 salary for New York lawmakers that was in place for two decades was ripe for an increase. The commission called for an increase in wages to $110,000 in 2019. That raise is to be followed by two additional $10,000 raises over the next two years. But they also added a catch: a limit on outside earnings.

A lawsuit ensued whereby a judge upheld some of the pay raises, but eliminated the limit on income. Lawmakers rejoiced, while public reformers cringed.

But instead of calling for an end to these maneuvers that limit accountability, perhaps we should use it to our advantage and turn it around on these legislators. If a non-elected commission could be impaneled to provide pay wages for politicians, why not create such a panel to implement the type of fiscal reforms that have been

desperately sought by taxpayer watchdogs for decades?

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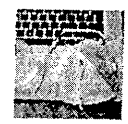

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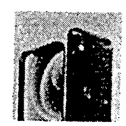

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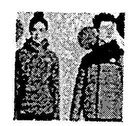

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I actually called for such a panel in my short-lived run for governor in 2010. I saw how effectively the BRAC Commission worked and realized that elected officials on both sides of the aisle — who are so dependent on special interest donations for their re-elections — just did not have the will to make the type of reforms that would make New York affordable.

My plan had also been influenced by the Simpson/Bowles Commission that was put together in the Obama administration to address spiraling entitlements and the long-term stability of Medicare and Social Security. The commission came up with a number of common sense solutions to keep these programs intact. Unfortunately, there was no enforcement mechanism, so the ideas just faded away. Imagine how much more fiscally sound we would be as a nation today had those suggestions been implemented automatically. Think about how much more affordable New York would be if we could finally modify the Triborough Amendment, so that salary step increases no longer continue after a municipal contract has expired. Or, if we were to eliminate mandatory arbitration, which has given us some police officers on Long Island with $200,000 salaries. Or, if we could eliminate overtime from being

factored into a municipal employee's pension, which dramatically increases taxpayer liability for the remainder of that retiree's life.

Sure, the teacher, police and municipal unions would go bonkers, but it would be harder to pin these difficult fiscal reforms on any particular individuals. Yes, there would be pressure to have the legislators vote to override the commissions' suggestions, but that would now require a majority vote to overturn the changes, rather than a majority vote to implement the changes in the first place.

So, the next time legislators have something they really, really want (such as a pay raise), let them create another commission, but condition it on them also including spending reforms in the mix.

Steve Levy is executive director of the Center for Cost Effective Government. He served as Suffolk County executive, as a state assemblyman, and host of "The Steve Levy Radio Show."

Written By
Steve Levy

LONG ISLAND BUSINESSNEWS


Dollar bills

Levy: A fiscal control board can help Suffolk survive the crisis

By: Opinion, Steve Levy June 30, 2020

If Suffolk's elected officials are wise, they will embrace the concept of having a state sponsored fiscal oversee their navigating of the county's budget crisis, which is being exacerbated by the coronavirus p

There is a knee-jerk reaction by many elected officials to wince at the idea of a control board because sense of failure on their parts. Actually, officials should welcome the opportunity for such a board to er reforms that they themselves do not have the power to promulgate.

In most cases, 60-70% of any governmental budget revolves around personnel costs: salaries, overtir benefits, and pensions. That's where the money is. Efficiencies have to be made. The question is whic options are the least horrific.

Officials always retain the power to lay off employees, but when you're dealing with shortfalls of hundr of dollars, there's only so many workers you can jettison. Some borrowing will be permitted, but there been a dramatic increase in deferring payments over the last several years.

The only other place to go is the place that officials on all levels of government have been ignoring for the often ridiculously excessive salaries in some bargaining units, coupled with unsustainable pension

e pension obligations (
rd does.

For decades, governments have been writing out checks to their employees in high powered unions tl cannot cash.

For instance, our Center for Cost Effective Government completed an analysis late last year which no continuing to allow overtime to be calculated into pension awards will inflate these retirement paymen $80 billion over the next two decades.

A simple tweak to this provision can save municipalities, including Suffolk, millions, if not billions, over several years.

Those seeking common sense reforms over the last many years have noted that a small give back by could avoid more draconian cuts down the road. The opportunity for the state to assist localities to res the last several years has been squandered. The present crisis is an opportunity that should not go to

The City of Detroit so over promised its pensions and health benefits that it had to file bankruptcy. Eve pensions and benefits were cut anyway. It could've been so less painful had they addressed their prob much earlier.

At the very least, the control board could freeze salaries, especially for the higher law enforcement sal county which are now exceeding $225,000 annually. The ill-timed contract increases just passed by th the midst of the pandemic could be reversed. An unconscionable $500 billion obligation for unused sic pay can be modified.

Ridiculous rules that inhibit efficiency or public private partnerships can be reformed by a hands-on bc the authority to enact these changes.

If Suffolk is going to go the route of a control board, it should seek a strong one akin to the one that he dramatically restructure New York City to prevent its collapse in the 1970s. Nassau County's board, or hand, has been far too ineffectual. While at first it succeeded in obtaining a wage freeze in the Mangai administration, thereby saving hundreds of millions of dollars, it later folded to the pressure and allowe raises to be given back in an election year package.

The remedies implemented by a control board will naturally cause some short-term pain. But it will be draconian than resorting to the only option otherwise available to officials, which is massive layoffs co unconscionable tax increases. A little bit of give provided by every employee will avoid the bloodbath t otherwise be sure to come about.

Moreover, the reforms implemented by a control board would result in long term structural change tha ease taxpayer burdens.

Steve Levy is Executive Director of the Center for Cost Effective Government. He served as Suffolk C

COMMON SENSE STRATEGIES LLC

April 28th, 2020

State bankruptcy can reduce taxpayer debt

I have written two articles of late regarding the loss of revenue to states. One suggests that the federal government should aggressively help our states with the loss of sales taxes and fees that will devastate their budgets.

We also need to be conscious that the states have had to expend huge sums on medical care due to the COVID-19 Virus. On the other hand, some states are looking for money to cover their structural imbalances that existed prior to the virus.

The feds are balking at this and rightly so. Sen. Mitch McConnell has taken heat for suggesting that states consider bankruptcy. It's actually not a bad idea at all. I have recommended it in many cases for the MTA and different governments that have engaged in irresponsible fiscal policies that have put them on the brink.

Bankruptcy doesn't mean they go out of business; it simply means that they can restructure their unmanageable debt and obligations. It would force the government to restructure contracts and all the crazy provisions that have made some states simply unaffordable to live in.

My article regarding the subject can viewed here.

Newsmax
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McConnell's Idea to Give States Option of Bankruptcy Not That Crazy
By Steve Levy

Sen. Mitch McConnell created quite a firestorm by suggesting that some states consider declaring bankruptcy, rather than seeking federal assistance to deal with their cavernous Coronavirus budget holes.

As a pundit who has both promoted federal assistance to states and localities in the aftermath of this crisis, while also, in the past, having advocated government bankruptcy for poorly run governments, I would suggest that there is a middle ground between these two options.

McConnell is correct in noting that many states, even before the crisis, have been brought to the fiscal precipice via their own irresponsible actions, including the granting of overly generous pension systems. It is unreasonable to suggest that federal taxpayers, particularly the next generation, should bail out those jurisdictions for their careless spending.

On the other hand, much of the pain state and local governments will soon experience emanates from the loss of sales tax revenue and fees that are generated by the normal economic engine. A bailout for those purposes is not rewarding irresponsible behavior.

The loss of anticipated revenues will lead to the closure of health centers, parks, police precincts and fire departments. That's not a bailout of the state officials; it's a bailout of the residents — that's all of us — who depend on these services.

Excessive pension systems, however, are a whole different ballgame. State officials throughout the nation, often in exchange for political endorsements and donations, have been writing checks to public employee unions that they can't cash.

The average New York City firefighter now retires with a **six-figure pension**. There are numerous public retirees in New York taking in over $200,000 a year. The city's yearly pension contribution increased 2,900% ($164 million to $4.8 billion) from 2000 to 2017.

Most states maintain a defined benefit pension system, which means pensioners are guaranteed their full monthly payments, regardless of how much money is in the fund. So, when the fund loses huge swaths of its holdings after a market collapse, taxpayers are still required to make up the difference. That could mean massive property tax increases for local residents.

Any protections offered by the feds should be in the form of loans to prevent rate shock. But there should be strings attached. For instance, states have been allowing pensions to grow exponentially by allowing overtime and other extraneous salary boosters to be factored into pension calculations.

The average overtime earned by New York Port Authority cops near retirement was $56,000, thereby raising their yearly pension by 50%-60% of that amount. Meanwhile, many uniformed officers throughout the nation are eligible to retire with pensions after only 20 years of service.

While some reforms have been enacted for future employees, they don't apply to existing personnel. So here's the deal: If you want a pension loan, you must first end the padding of pensions through overtime, and raise the 20-year retirement threshold.

Let's also consider New York's Metropolitan Transit Authority (MTA), which is seeking a $3.9 billion federal bailout. Much of their fiscal woes is surely due to a 60%- 90% drop off of ridership (depending on the line) since the virus became prevalent. But it would be a big mistake to give a total bailout to the MTA without also factoring in that they've lost hundreds of millions of dollars for not enforcing turnstile jumpers.

Or for in the past allowing 97% of its railroad retirees to collect disability pensions.
Or for allowing railroad conductors to get double pay for working on both an electric and diesel train on the same day.
Or for allowing employees to get overtime for washing their hands or changing their clothes.

Maybe it's time to force the MTA and other poorly run governmental entities to file for bankruptcy so that needed reforms can be mandated upon them.

These are the same type of reforms often mandated by courts when municipalities declare bankruptcy. Pensioners in Detroit's general retirement system took a 4.5 percent cut to their monthly pension check, no longer receive cost-of-living adjustments, and saw a reduction in medical benefits.

So, McConnell's suggestion of municipal bankruptcy is not at all crazy. Taxpayer exposure becomes limited, pensioners keep their nest eggs (perhaps with a slight trim) while mandated reforms provide structural adjustments that control the otherwise skyrocketing projections of growth within these entities.

On the other hand, federal assistance for lost revenues and direct coronavirus expenditures should be direct grants to help keep the states above water.

Medicaid is a more complicated situation. Certainly, the economic dislocation caused by the virus has led to a spike in Medicaid costs for states. This should not be confused, however, with some of the Medicaid debt that existed prior to the onset of the virus.

Take New York, for instance. It was already facing a $6 billion budget deficit, in large part due to its irresponsible handling of its Medicaid budget. Gov. Andrew Cuomo's fiscal sleight-of-hand had purposely deferred 2018 payments into 2019 to make it appear that the prior budget was lower than it appeared.

The state also has such a liberal Medicaid eligibility policy that it's Medicaid budget is twice as large as Texas', which has 50% more people. Why should the federal government bail out any state for that pre-existing fiscal irresponsibility?

It would be ill-advised for those on the right to suggest that no financial assistance should be available to help states in these trying times. On the other hand, the left should not expect that future generations should have to foot the bill for the wasteful practices that were already in place by states, long before anyone ever heard of the term coronavirus.

Steve Levy, former New York state assemblyman, Suffolk County executive, and candidate for governor, is now a distinguished political pundit. Levy's commentary has been published in such media outlets as Washington Times, Washington Examiner, New York Post, Albany Times, Long Island Business News, and City & State Magazine. He hosted "The Steve Levy Radio Show" on Long Island News Radio, and is a frequent guest on high profile television and radio outlets. Few on the political scene possess Levy's diverse background. He's been both a legislator and executive, and served on both the state and local levels — as both a Democrat and Republican. Levy published "Bias in the Media," an analysis of his own experience, after switching parties, with the media's leftward slant. Levy is currently Executive Director of the Center for Cost Effective Government, a fiscally conservative think tank. He is also President of Common Sense

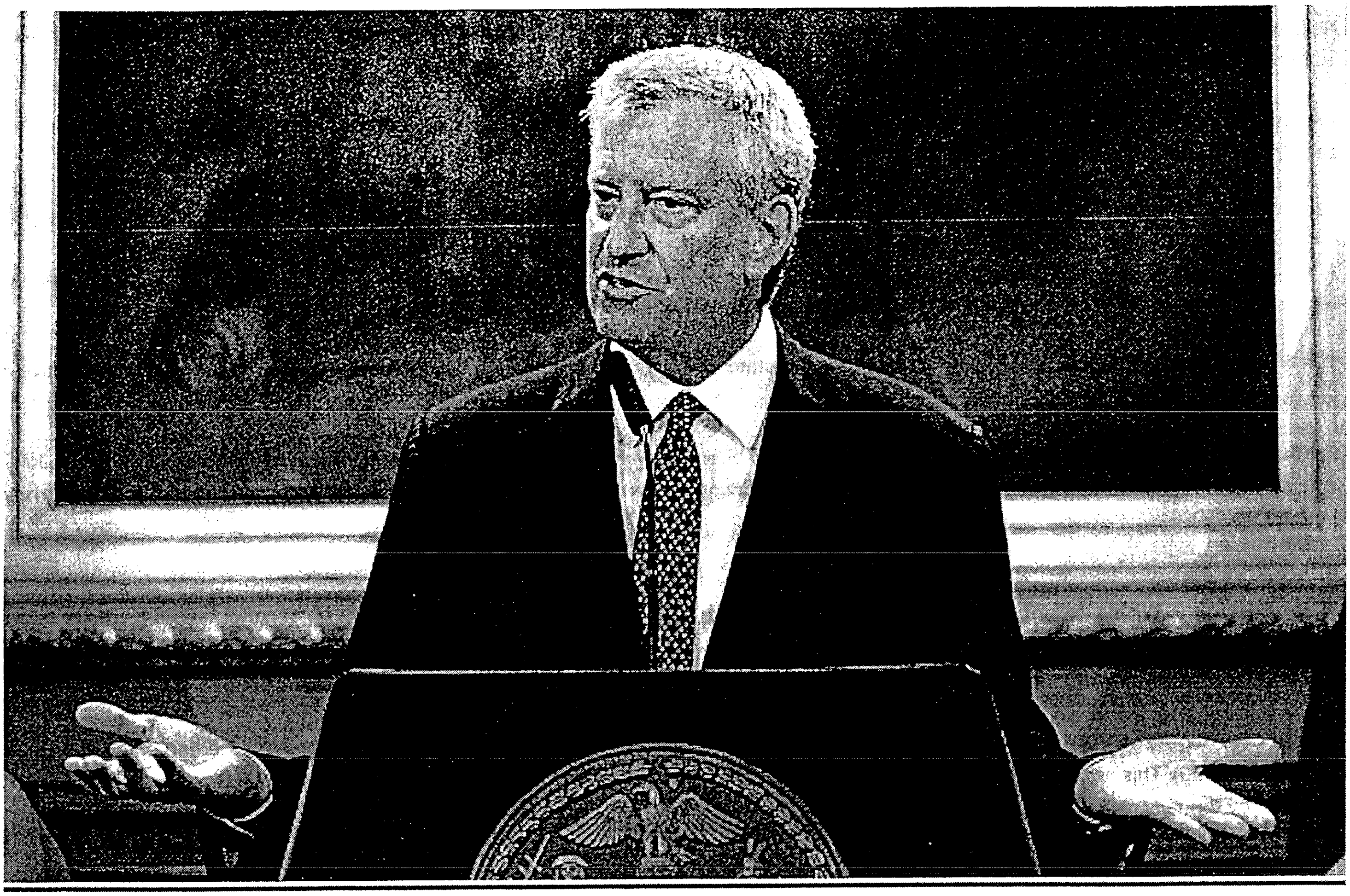
Strategies, a political consulting firm. To learn more about his past work and upcoming appearances, visit www.stevelevy.info.

OPINION

How a blast from the past could save NYC again

By E.J. McMahon

September 23, 2020 | 7:32pm



Mayor Bill de Blasio is seeking Albany's approval to borrow $5 billion.

EPA

Forty-five years ago this month, then-Gov. Hugh L. Carey and the state Legislature passed a landmark law, the Financial Emergency Act, designed to rescue Gotham from imminent bankruptcy.

The law created the state Financial Control Board as a vehicle for restoring solvency. The board would be chaired by the governor, who in turn would appoint three other members of a seven-member panel. Since the end of the Big Apple's original control period in 1986, the FCB has remained in "sunset" as an external fiscal monitor, fully staffed and meeting at least once a year to confirm the city isn't violating basic guidelines of fiscal integrity.

Four decades later, with both the city and state now facing a very different kind of crisis, the FCB can again play a critical role in restoring the city government's stability.

Gotham will need years to recover economically from the shutdowns imposed to contain COVID-19. In the meantime, with tax revenues cratering, the pre-pandemic city budget was simply unsustainable — but Mayor de Blasio is floundering

While Hizzoner's financial plan at least aims for [illegible] — carving $1 billion out of labor costs, the biggest [illegible]k of New York's nearly $90 billion budget — de Blasio himself doesn't seem to be seriously pursuing it. After weeks of threatening to lay off 22,000 city workers, the mayor now says he will temporarily furlough 9,000 managerial employees to save just $21 million. Worst of all, while continuing to plead for federal aid, he is also demanding the state's OK to issue up to $5 billion in deficit bonds.

Borrowing to pay operating expenses was what led the city to the brink of insolvency in the 1970s, and de Blasio's push to bond out a budget deficit is a distress signal. The control board needs to nip this in the bud.

SEE ALSO
De Blasio to furlough 9,000 NYC employees amid cash flow woes

No borrowing bill can be approved without the signature of Gov. Cuomo, who should make it clear that he will ask the Legislature to instead authorize a new period of formal FCB control over city finances, subject to conditions including:

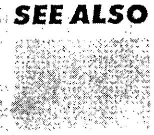
• An immediate freeze of city employee wages, which the board could extend until it is satisfied that unions have agreed to real money-saving concessions.

• A restoration of the board's legal standing to intervene on the issue of affordability in any deadlocked collective-bargaining negotiation.

• Permanent establishment of the board, which otherwise is due to disappear in 2033, and restoration of its pre-2008 power to unilaterally reinstate control periods in the future when the situation demands it.

The board's membership includes the mayor and both the state and city comptrollers — but ultimately will only be as strong and effective as the governor wants it to be.

For the first time in 10 years as governor, Cuomo recently has been showing signs that he takes the board and its mission seriously. In July, he finally got around to naming his first three appointees, including Steven M. Cohen, his former top adviser as both governor and attorney general.

SEE ALSO

With a defanged watchdog, NYC's fiscal future is dicey

At the FCB's August meeting, Cohen agreed the board should meet again to review the city budget situation after the end of the first fiscal quarter (Sept. 30). This next meeting, presumably in a couple of weeks, will be the FCB's opportunity to counter de Blasio's deficit borrowing proposal by formally calling for a new control period.

Experience has shown that the FCB can provide essential discipline by insisting on cuts that local elected officials find it difficult to pull off on their own. Years after leaving office, former Mayor Ed Koch described his relationship with the board as a "good guy-bad guy" routine. In negotiating with labor leaders, he said, his message was: "You better make my life easier than you are making it, [or] I will just let the control board decide your increase."

De Blasio — and whoever succeeds him as mayor, starting in 2022 — would do well to follow Koch's example.

The late financier Felix Rohatyn, a key private-economy player in the city's 1970s recovery, once observed that New York's control board is "only necessary when things are very, very bad." When a mayor's primary response to an unprecedented economic collapse is to talk about deficit borrowing, that's bad enough.

Adapted from a just-published report from the Manhattan Institute, where EJ McMahon is an adjunct fellow.

Twitter: @EJMEJ

FILED UNDER BANKRUPTCY, BILL DE BLASIO, CITY BUDGET, NEW YORK CITY, 9/23/20

CHAPTER 9
KEEPING OUR ECONOMY FROM COLLAPSING IN THE ERA OF COVID

It has the potential to be the greatest threat to the American economy since the Great Depression. The COVID-19 epidemic that swept across the globe in 2020 caught our elected officials and health providers by surprise. This contagion was the most virulent virus to hit mankind since the Spanish flu of 1918.

Original models predicted that over two million people in America alone could perish if measures were not taken to combat the virus. As the pressure mounted to relieve the overwhelming of our hospitals, officials began to shut down one of the most vibrant economies in US history. Our center concurred that something had to be done early on to get control over the spread.

The question thereafter was how could we keep our economy from collapsing?

We promoted sensible precautions dictated by science to balance a need to ensure that our economy remains strong enough to deal with the other stresses that we commonly face as a society.

Mass unemployment coupled with the collapse of businesses that people build up over the course of their lifetime would have the impact of causing our suicide and drug addiction rates to skyrocket. Fewer people seeking their routine doctor appointments lead to sharp increases in missed early diagnoses that can prevent death. There is also the reality that prolonged shut downs dramatically increase the poverty level, which, in turn, leads to failing health, and even death.

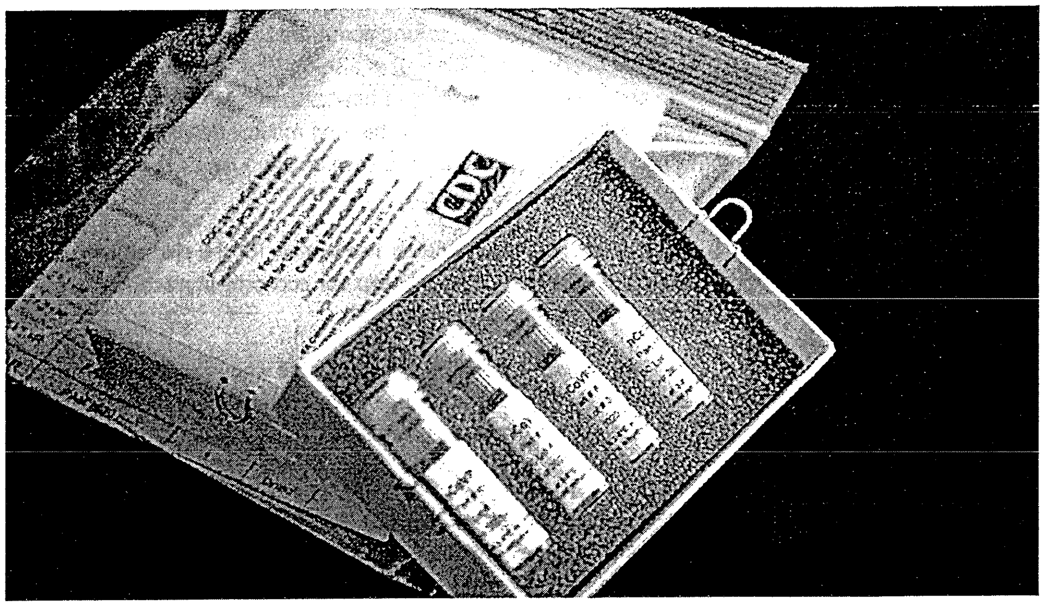
Our traditionally fiscally conservative think tank nevertheless lent support to the government providing necessary healthcare equipment and financial aid to our governments and displaced workers.

As time progressed and more was learned about the virus, we believed it was sensible to isolate the elderly and the vulnerable, while allowing our economy to slowly reopen. As we prepare this year in review, a vaccine is promising, but still not approved . The virus is spreading in many states while others remain shut down.

We also believed that attention had to center on how our children, especially minority and underprivileged children, would suffer enormously if kept out of the classroom for extended periods of time. If children around the globe in nations deemed our competitors were continuing to receive in class education while our children were not, our children, and our nation, would be placed at a significant disadvantage. That lost time may never be made up. This is critical since we already underperform vis-a- vis many of these other nations.

We will continue to examine the effects massive shutdowns have on the economy and to highlight the fact that there are ancillary unexpected consequences that can emanate from mass unemployment and a curtailment of civic interaction.

LONG ISLAND BUSINESSNEWS



CDC via AP

Levy: We must control this virus without creating a depression

By: Opinion, Steve Levy ⊙ March 31, 2020

It is perhaps the biggest decision of our time: In the wake of the coronavirus, how do we balance the goal every life possible without sending us into a deep economic depression?

New York State closed down every non-essential business via an executive order last week. In doing so, th governor said this drastic action would be justified if it saved just one life.

In a vacuum that may be true, but what also must be considered is that creating a possible depression, an poverty that comes with it, could also lead to lives being lost. Who knows how many in the long run?

Let's be clear at the outset that raising these questions of balance is not in any way criticizing the intention decision maker in this process. More than at any time since 9/11, we are all in this together. Park the party registration at the door. Let's not talk about taking credit or pinning blame on anyone. But let's also have honest, intelligent conversation as to how we save our residents AND our economy.

The valiant doctors who surround our elected officials provide needed data-based advice that is invaluable. one and only goal is to take any means necessary to preserve life to a maximum degree. Thank goodness heroes.

But let's remember that it is not the job of these healthcare professionals to look at the larger picture as to ancillary consequences could be to a prolonged economic shut down. That is the job for our elected repres

With coronavirus, we are talking about life and death, so we rightfully will not quibble over the trillions it w keep our heads above water. It is also understandable why any elected official would say close everything take any measure, regardless of how extreme, to bend the infection curve downward as soon as possible. avoids Monday morning quarterbacking months down the line where some might ask, "Why didn't you go f when you might've been able to save an extra life?" There's also the legitimate point of taking the maximu now to lessen the pain later.

It's much more difficult, and far more risky, for the elected official to say we are going to go after this virus unprecedented ways, but still keep our economy in place so that we do not create problems that could bec as insurmountable as the virus itself.

We have to refrain from trying to tar those who would express concern about economic conditions as being fat cats who put money over lives. The bottom line is that more people thrive in good economic times and people die when resources are scarce. In other words, poverty kills. Sometimes, it can kill even more than does.

When I heard about the two-week shutdown, I thought it was something we could handle. Telling half you workforce that they have to stay home is understandable and will help lessen contact and spread. It's also survivable, even for most small businesses. Telling three-quarters of the workforce to avoid the workplace level of strain that can bring a business to the brink. Still, maybe for a short duration, we could make it thr

But telling 100% of the nonessential workforce that they have to stay home is in essence shutting down ou economy and causing a recession at the least and possibly creating conditions we haven't seen since the 1' Depression, if this is prolonged.

What if in a few months the virus is gone, but the economy is left in tatters? Could we face medical conditi previously treatable, would be jeopardized because our depressed economic conditions could not support p care? Money that could go to healthcare would have to go to extended unemployment benefits and welfare assistance. The hope is that everything will bounce back. Perhaps it will, but what if it doesn't? What if a tv month shut down puts our small businesses at a point of no return?

So is there a way to keep our businesses open, even if just a skeleton version, while simultaneously isolatii vulnerable within our population?

Maybe the lockdowns could apply to large gatherings, the elderly and the infirm. This could be coupled wit scale temperature readings so that those identified with a high temperature can be segregated from the la population.

I hope that our leaders' decision to close down the economy turns out to be the right one. Let's monitor it maintain the flexibility to moderate these extreme edicts. Controlling this virus is essential. And so is avoidi depression.

Steve Levy is President of Common Sense Strategies, a political consulting firm. He served as Suffolk Coun Executive, as a NYS Assemblyman, and host of "The Steve Levy Radio Show."

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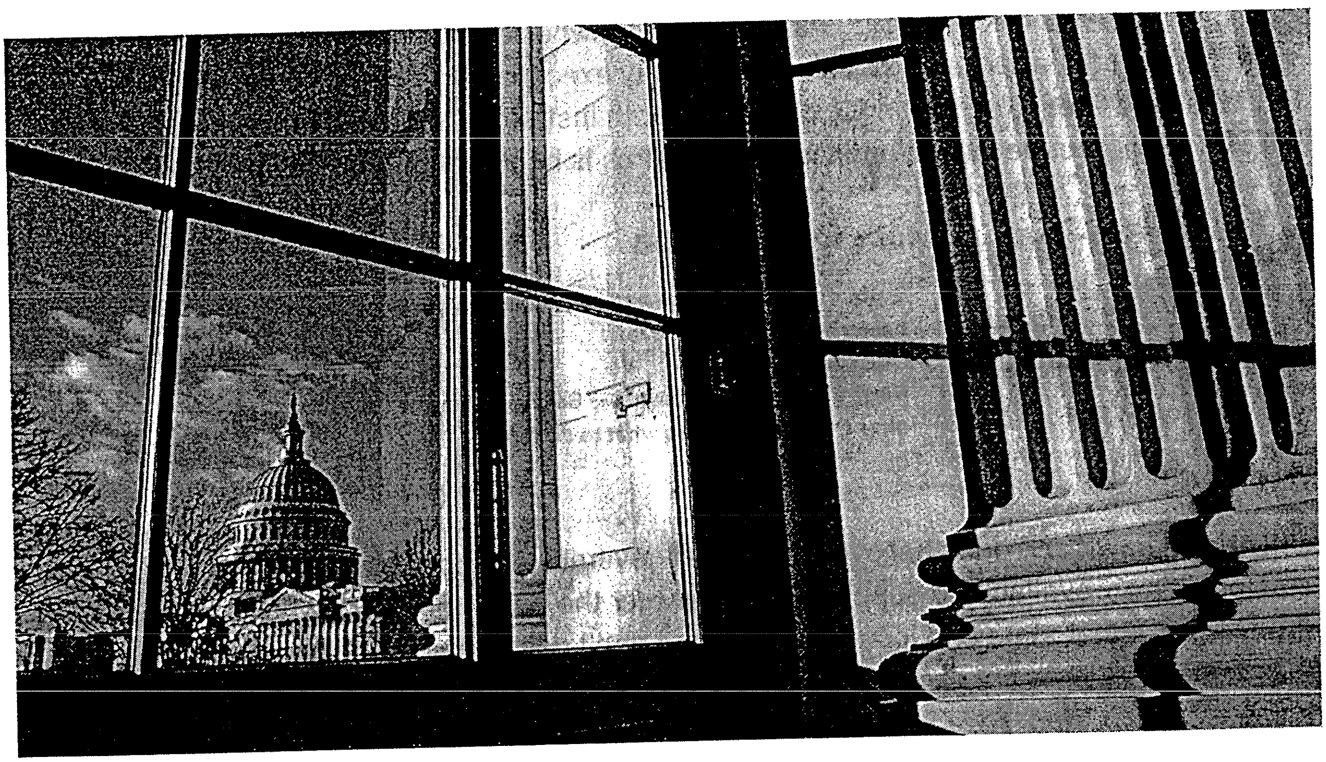
OPINION · Published April 9

Steve Levy: Coronavirus costs state and local governments billions – they need massive federal aid

OPINION By Steve Levy | Fox News



McConnell, Pelosi collide over additional coronavirus aid

FOX Business' Hillary Vaughn on what negotiations are involved in passing additional coronavirus relief funding.

Get all the latest news on coronavirus and more delivered daily to your inbox. Sign up here.

State and local governments around the nation are being hit hard by skyrocketing expenses and plummeting tax revenues as a result of the coronavirus pandemic and are in desperate need of billions of dollars in increased federal assistance.

Democrats and Republicans in the House and Senate, along with President Trump, should come to a quick agreement to provide this aid, or state and local governments will be forced to make massive budget cuts – including to vital programs – and lay off employees. Unlike the federal government, most state and local governments are required to balance their budgets.

For example, the city of Long Beach on Long Island near New York City has already announced 124 layoffs to its relatively small workforce. Ohio's governor is bracing the state for budget cuts of up to 20 percent. Virginia, which expects to lose $2 billion in revenue this year, is considering rescinding pay raises it just granted to teachers.

ALARM BELLS SOUND OVER HISTORIC DEFICIT SPENDING, AS CORONAVIRUS BILLS COULD NEAR $5T

I was a member of the New York state Legislature when we were devastated after the Sept. 11, 2001, terrorist attacks and I served as county executive in Suffolk County near New York City when the Great Recession hit in 2008. In both instances, massive amounts of revenue fell off the cliff suddenly and unexpectedly, just as is happening today.

More from Opinion

- Gutfeld on what the bar and restaurant industry needs now
- Newt Gingrich: Coronavirus -- Get ready for life after COVID-19. Here's what to do today

I'm a fiscal hawk and don't believe the federal government should serve as an ATM for states and localities – available to supply cash whenever the need arises, for whatever reason. I firmly believe that state and local governments don't deserve unconditional bailouts when their fiscal problems are caused by their own mismanagement or by spending beyond their means.

For example, irresponsible fiscal policies embraced by the governments of New York City in the 1970s – and more recently by Detroit and Puerto Rico – brought them all to the brink of financial collapse. It's perfectly fair for the federal government in such cases to demand draconian spending reforms – including a rewriting of municipal contracts and pension plans – in exchange for providing emergency financial aid to keep these governments afloat.

But the budgetary devastation that state and local government are now facing wasn't caused by anything government officials did wrong. And unfortunately, government cash shortfalls will only get worse as long most Americans are being told to shelter in place at our homes to avoid spreading the coronavirus.

Faced with growing numbers of hospitalizations and deaths caused by the coronavirus, America's governors, mayors and county executives have had no choice but to shut down their economies to save lives. But this necessary action has caused grave economic pain.

State and local government budgets are being devastated in at least three major ways.

Government spending is soaring

State and local governments are spending much more to fund Medicaid, unemployment insurance payments and other public assistance programs, because millions of Americans have lost their jobs due to business closures.

Many governments are also spending money to buy personal protective equipment for health care professionals and emergency supplies like ventilators for hospitals.

For example, while Nevada saw an average of approximately 200 daily social services assistance applications in February, by March that number spiked to 2,000. Meanwhile, Vermont experienced a 46 percent increase in Medicaid applications in March compared to the same month last year.

California has had approximately 1 million unemployment applications filed since March 13. New Jersey saw 200,000 unemployment claims since March compared to 7,000 the same time last year. Utah has experienced a 46 percent increase in Medicaid applications due to job losses.

Tax collections are falling

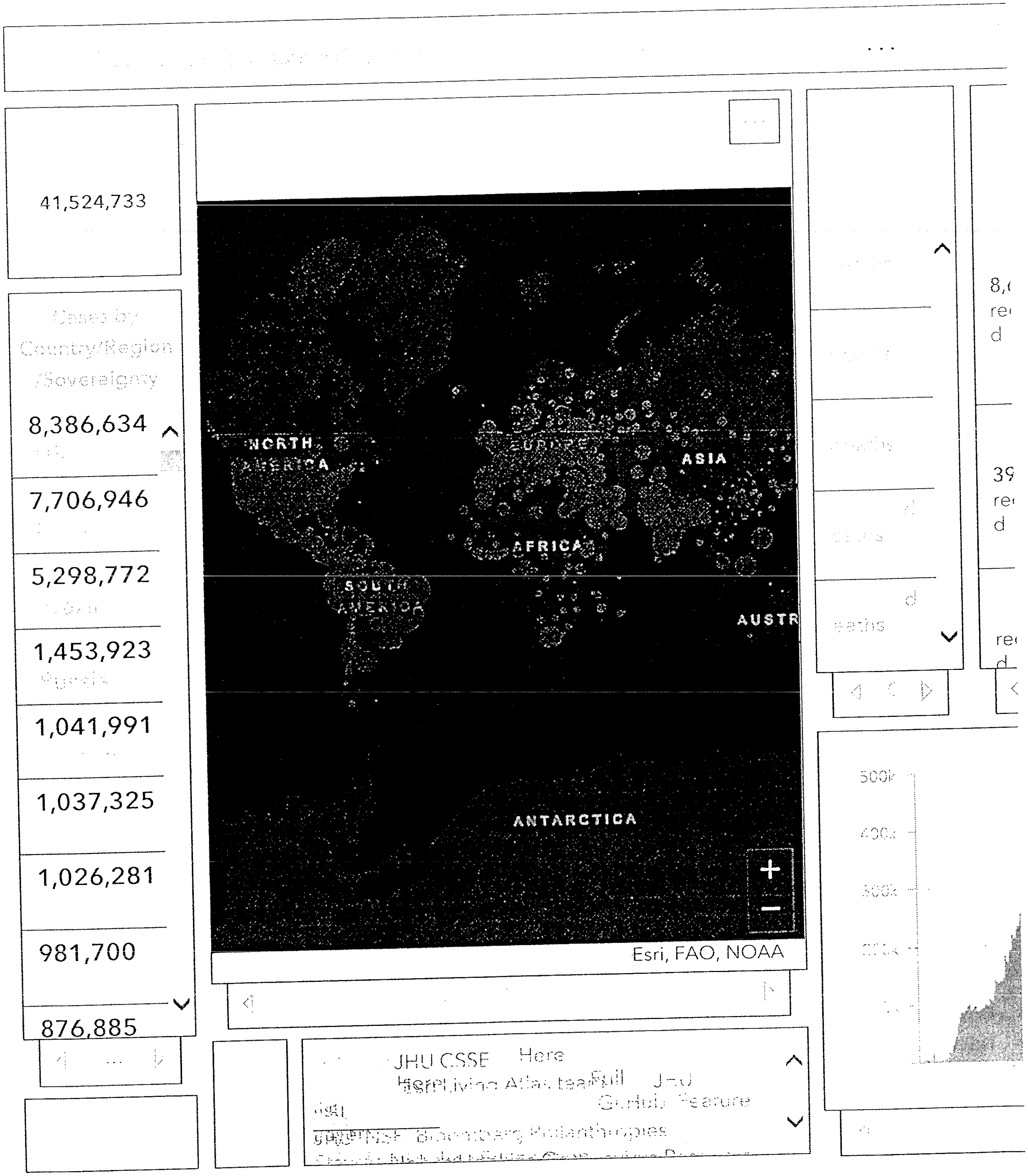
Laid-off and fired workers are not paying taxes on wages they are no longer collecting, shuttered businesses are not paying sales taxes on sales they are no longer making, and other tax collections generated by economic activity are down as well.

In an article published Thursday in Governing magazine, finance columnist Girard Miller writes that state and local government revenues from income and sales taxes totaled about $1 trillion last year. He estimates that the tax collections will drop by $100 billion to $250 billion this year, depending on how long most businesses remain closed.

In New York – the state with by far the most coronaviruses infections and deaths – state Budget Director Robert Mujica told The Wall Street Journal this week that state revenue would drop by $9 billion to $15 billion from projections made before the coronavirus pandemic hit.

In another example, the state of Nevada gets about 38 percent of its general fund revenues through a tax on tourism. With casinos now closed in the gambling capital, tourism and sales taxes are down dramatically.

And don't count on property taxes to keep local governments afloat, since unemployed homeowners are far less likely to pay their taxes on time. After the Great Recession of 2008, 34 states recorded a marked decline in property tax collections.



Government pension funds have lost massive amounts of money

Some states and localities might have to dig into general revenues to supplement their pension funds because of stock market losses.

In New York, for example, the state and local governments are required to contribute a pension fund for their retired employees on a regular basis to keep it solvent. The fund depends primarily on its investment growth. When the stock market loses as much as 50 percent of its value – as it did after the 2008 crash – the state comptroller still demands that the state and local governments make up that loss.

In the current coronavirus-sparked economic crisis, California has seen a $69 billion drop in its pension fund due to market volatility.

Where do we go from here?

Many of us have been saying for years that the federal government spends too much and borrows too much year after year under both Republican and Democratic presidents, regardless of which party controls majorities in the House and Senate.

Our concern about overspending is valid in ordinary times, but we are not living through ordinary times now. There has never been a time in American history where government officials have ordered businesses around the country to close and told us all to stay at home and not venture out except for food and other essential purchases, or to perform essential jobs.

So now is not the time for federal officials to suddenly get religion on the need for balancing budgets. They should use their borrowing power to rescue state and local governments in this unprecedented national emergency.

When the coronavirus crisis subsides, it will be high time that the feds look in the mirror and start controlling their annual discretionary spending. That's why we need a balanced budget amendment to the Constitution for the federal government. But such an amendment should have a safety valve for emergencies such as a war, a major recession and a pandemic.

Right now our economic house is on fire. And in circumstances like this, we have to put the fire out and not worry about the water bill. Lawmakers and President Trump need to put aside partisan differences and give state and local governments emergency aid NOW.

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Local leaders must show fiscal restraint as a prerequisite for pandemic aid

Steve Levy

So New York City Mayor Bill de Blasio wants billions from the feds to deal with his budget woes. As someone who just last month advocated for federal assistance to localities to help cushion the fallout of the pandemic, it's awfully difficult to endorse such aid when the requesting party has done little to exhibit the level of fiscal restraint warranted in these turbulent times.

Once the shut down was in effect in early March, it was clear that costs for welfare, healthcare, unemployment and so many other factors would skyrocket. But it was equally obvious that revenues to Gotham and municipalities around the country were going to crater. De Blasio projected the city's losses at $9 billion. https://www.bloombergquint.com/onweb/nyc-revenue-picture-worsens-with-shortfall-rising-to-9-billion

Even the weakest of fiscal managers knows that the path toward lessening the long term pain is to initiate mitigation measures as soon as possible. We are now closing in on two and a half months into the shut down and there has been no wage freeze, no hiring freeze or caps on spending ordered by the mayor. To the contrary raises have been issued and more hiring is occurring (contact tracers and health workers notwithstanding).

As the saying goes: The first rule when you're in a ditch, is stop digging.

While a huge sector of the private workforce has been laid off, the city payroll for its 330,000 employees is as large as ever. Part of the reticence to make cuts is the mayor's basic fondness for big government coupled with a natural fear of the political backlash. But, certainly, an additional factor is his belief that Uncle Sam will come to the rescue to cover the cost of all the employees' raises and the lost revenues.

While it is true that the City's proposed $95.3 billion budget in January was adjusted $6 billion downward, most of that was attributable to tapping billions from reserve funds and about $2 billion in previously received federal aid. The mayor also delayed debt payments. https://www.bloombergquint.com/onweb/nyc-revenue-picture-worsens-with-shortfall-rising-to-9-billion

Just three days ago, de Blasio was quoted as saying there are "No plans for pay cuts for any New York City employees right now, whether it's City Hall or any place else." According to the NY1 network, "De Blasio has refused to say if he will cut salaries - including his own paycheck - or freeze hiring across city agencies." https://www.ny1.com/nyc/all-boroughs/news/2020/05/27/facing-a-massive-budget-hole--de-blasio-prepares-to-borrow

This is despite the fact that, according to the New York Post,
"City-funded outlays through 2020 rose 32 percent since de Blasio took office. The payroll headcount is up 12 percent, to the highest level in recent history." He also ushered in $15 billion in retroactive scheduled raises, none of which are being delayed, as are many raises on the state level.

"https://nypost.com/2020/04/16/bill-de-blasios-nyc-budget-in-denial-about-coronavirus-economic-impact/

https://www.cityandstateny.com/articles/opinion/opinion/new-york-city-should-freeze-teacher-salaries.html

The mayor's preferred route is to prod State legislators to authorize the city to borrow $7 billion to cover operational costs, a move similar to what the city did in its near collapse in the 1970. https://www.ny1.com/nyc/all-boroughs/news/2020/05/27/facing-a-massive-budget-hole--de-blasio-prepares-to-borrow

The city has already received $5.3 billion in coronavirus relief funds from the federal government. De Blasio is hoping for much more to stave off having to make the type of fiscally prudent decisions that every private sector business owner is being forced to make in these fiscally devastating times. The bill promoted by House Democrats would fund $17 billion to the city and another $34 billion to New York State. - an enormous sum, but still only about half of the $61 billion sought by the governor..https://www.cityandstateny.com/articles/politics/new-york-city/new-york-city-looking-these-areas-budget-cuts.html
https://newyork.cbslocal.com/2020/05/13/coronavirus-plea-de-blasio-again-appeals-to-federal-government-for-financial-help-for-nyc/

Thus far, the primary tangible cuts have related to the closing of pools, the canceling of summer youth jobs and other items that have become obsolete due to the mayor's own extraordinarily restrictive shut down rules.

New York City is not the only government not quite "getting it." The city's largest suburban neighbor, Suffolk County, for which I formerly served as County Executive, just two weeks ago approved, by a 16-2 bi-partisan vote, additional union raises while it is facing historic level revenue losses.

The American people are a compassionate bunch. The federal government's available liquidity is an appropriate vessel by which to stave off the collapse of state, city and local governments.

But for all their empathy, American taxpayers don't want to be chumps. They want to see that those seeking relief are doing their part to realistically rein in spending. Unfortunately, too many local leaders have been avoiding the tough decisions hoping for the "Hail Mary" pass from the feds. It's time for them to get some skin in the game and enact the type of fiscal reforms that are long overdue.

CENTER FOR
Co$t Effective
GOVERNANCE

March 28, 2020

Governments must take steps to avoid fiscal Armageddon
by Steve Levy

The devastation caused by the coronavirus is forcing us to focus on the immediacy of protecting lives. That does not mean, however, that we can neglect looking just a few months down the road to when state and local government budgets will be devastated.

The virus is not only requiring us to spend billions to counter its negative impact, but it is also shutting down our economy and draining state and local governments of needed sales tax and income tax revenues.

You don't have to be an economist to figure out that when costs are soaring, and revenue is cratering, we will be facing a huge budget deficit on every level of government.

It's possible there will be yet another federal bill that helps to address these local budget holes, but the extent of the bailout is speculative. In the meantime, our state and local officials have to begin implementing austerity measures to cushion the potential blow.

Here are a few steps that should be carried out immediately:

Freeze wages.
It's now been several weeks since the Empire Center's E.J. McMahon called upon the governor and the state legislature to freeze state wage increases. New York was already facing a budget deficit as much as $6 billion. The wage freeze could save almost two billion right off the top. Is anyone listening? It doesn't seem so, as the Suffolk County Legislature just this month passed wage increase packages for various unions.

Hiring freeze.

There's an old saying: "The first rule when you're in the ditch is stop digging." This is no time to be adding more personnel onto a public budget. With the exception of emergency positions, governments have to lock down into austerity mode.

Consider furloughs.
Given the fact that fewer people are going to work, this is an appropriate time for governments to consider furloughing some of their employees. If a policy was enacted to reduce the work week to four paid days instead of five, numerous jobs could be saved in the long run.

Hold off on supplies.
Outside of healthcare, most government activity has slowed down. It's a good time to put off many non-essential supply orders. This could free up cash for our governments that are experiencing a dramatic revenue decline.

Terminate subsidies for those here illegally.
The state should reconsider its ill conceived program passed last year that provides almost $30 million on tuition assistance for those in the country illegally. Such a program is bad enough in good times, but when our budgets are hemorrhaging, these funds should be available for the healthcare front. Save in excess of another $10 million placed in the budget that helps criminal illegal immigrants avoid deportation.

Hold off on wind subsidies.
The state has in place a noble goal of eliminating state dependence on fossil fuels. As a rule, massive taxpayer subsidies have been thrown at the solar and wind industries. The efficacy of such massive taxpayer investments can be debated for the long term, but in this coming financial crunch, we may have to slow down our plans to build these offshore wind projects that can be four times as costly as a typical power plant.

The $33 billion committed by the governor for climate change expenditures over the next five years has to be re-evaluated given the grim budget horizon.

Hold off on tourism and economic development ads.
The fiscal year 2019 budget contained $1.7 billion in new appropriations for economic development. Meanwhile, over a seven year period, in excess of $350 million was spent on tourism and economic development ads. This is not the time to continue to target people who can't even board a plane.

Postpone early voting this year.
We survived since the founding of our republic the concept of casting a vote on one day in November. While expanding voting dates in good times is to some a worthy concept, it's hardly a necessity. Hold off spending that $175 million until the revenues flow back into our coffers.

Ask retirees to kick in on health care.

While many government retirees indeed pay a share of their generous healthcare plans, many of us continue to contribute ZERO dollars to the system. Asking retirees to contribute 10%, or even just 5%, for this extensive care can help ensure we make it available for others. This, of course, will take some legal maneuvering, but it's high time the process begins.

Whatever your favorite saying, be it "Desperate times require desperate measures," or "Never let a serious crisis go to waste," we need to muster the political will to take these relatively easy steps now to avoid the horrific alternatives that we would otherwise surely encounter down the road.

Steve Levy is Executive Director of the Center for Cost Effective Government. He served as Suffolk County Executive, as a NYS Assemblyman, and host of "The Steve Levy Radio Show." www.SteveLevy.info, @SteveLevyNY

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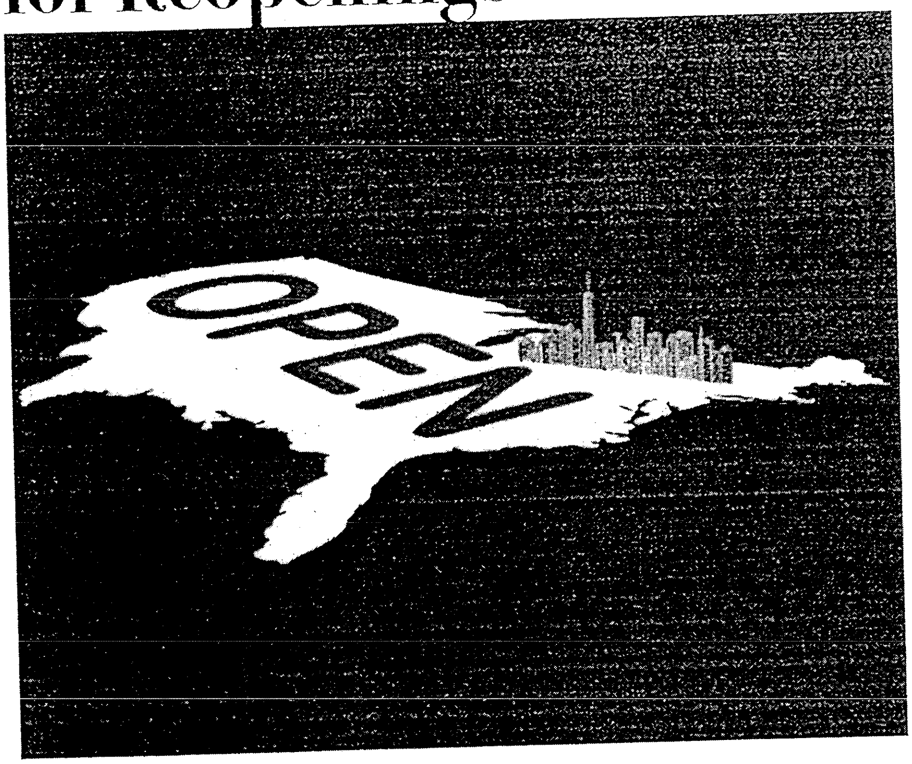
States Using Wrong Metric for Reopenings



By Steve Levy
Wednesday, 06 May 2020 09:07 AM
Current | Bio | Archive

It's the ultimate Catch 22.

We're being told by epidemiologists that we should not reopen our economy until new reported cases of coronavirus infections

decline.

Simultaneously, we're rapidly increasing testing nationally, which inevitably will significantly spike the number of positives registered.

Using that benchmark, we won't be able to open up for months in some places where increased testing leads to more positive recordings.**governor of Mississippi** put on hold his plans to reopen his state economy because there was an increase in reported positives.

White House **guidelines** suggest reopening should be postponed until there is evidence of "Downward trajectory of documented cases within a 14-day period." According to **Vox.com**, the number of new tests on Thursday, April 23, came in at more than 191,000, based on the Covid Tracking Project. That was up from the average in the previous week, when there were about 147,000 new tests a day.

Since the start of April, America has averaged about 156,000 new tests a day. Back in mid-March when states were beginning their shutdowns, fewer than 20,000 daily tests were being administered. As **noted** in an April 16 article in the Atlantic, the U.S. did almost 25 times as many tests on April 15 as on March 15, and both the daily positive rate and the overall positive rate went up in that month.The authors logically concluded, "The growth in the number of new cases per day, and the growth in the number of new tests per day, are very tightly correlated.
This tight correlation suggests that if the United States were testing more people, we would probably still be seeing an increase in the number of COVID-19 cases."
As of April 29, 2020, there have been 299,691 positive cases of COVID-19 in the state of New York as reported by The COVID Tracking Project, where there were only six positive **cases** reported on March 4, 2020.
Though the number of daily reported positive tests have declined in New York over the past week or two, as can be seen in the chart below posted in the **Gothamist**, the positive rate fluctuates day to day in close correlation of the number of tests performed.
Meanwhile, hospitalizations have continued to decrease. That's

good news given the fact the whole premise of the shutdown was to bend the curve to avoid overwhelming the healthcare system.

While it was once thought we'd have patients dying due to a lack of ventilators, the state now has a huge surplus of the machines and is even lending them to other states. We've flattened the curve to such a degree that many health facilities are actually laying off personnel.

More positive test results do not, in and of themselves, mean there are more people contracting the virus. There were many individuals who had already contracted it, but simply weren't counted before, due to the fact there hadn't been enough tests to identify them.

And many, if not most of these folks, will never need **hospitalization**.

As of mid April, only 2.5 of every 100,00 people ages 18-49 eventually become hospitalized due to Covid-19.

Some would otherwise never even have known they had it in the first place. There is a problem with those not knowing they are carriers possibly infecting others, but it's also true that the concept of building a herd immunity has been enhanced by their now possessing antibodies.

And, of course, we must remain cognizant that there is a lag between contracting the virus and eventually needing hospitalization. But, we now know that very few people who get Covid actually wind up in a health facility, with less than one percent succumbing to the disease.

So, if our initial goal was to flatten the curve to avoid overwhelming our hospitals, and we seem to have accomplished that, why shouldn't we gradually restart our economy while carefully monitoring if we approach the point of hospitalization that may cause concern for us to provide careIf we ever approach that point, we could readjust.

That's why it's the death rate, and more particularly, the hospitalization rate, that should dictate our plans to reopen, rather than the rate of infections reported.

Steve Levy, former New York state assemblyman, Suffolk County executive, and candidate for governor, is now a distinguished political pundit. Levy's commentary has been published in such media outlets as Washington Times, Washington Examiner, New York Post, Albany Times, Long Island Business News, and City & State Magazine. He hosted "The Steve Levy Radio Show" on Long Island News Radio, and is a frequent guest on high profile television and radio outlets. Few on the political scene possess Levy's diverse background.

CHAPTER 10
DEMANDING TRANSPARENCY WITH ENVIRONMENTAL PROPOSALS SUCH AS CONGESTING PRICING AND OFFSHORE WINDMILLS

Our center recognizes that issues related to climate are becoming more prevalent should not be ignored. There are rational reasons to look into measures that could help mitigate the rise in temperatures and implement measures that can lower emissions from stagnant traffic. It is essential that we maintain optimal transparency, however, in looking at these measures through a cost benefit analysis.

We saw that many editorialists were touting the efficacy of offshore windmills, but not disclosing the cost of the projects. While the ultimate decision as to whether to proceed with these endeavors is up to the people, our center brought forth the fact that such projects can cost three to five times as much as traditional power projects.

Another environmental movement that made strides over the last few years was congestion pricing in New York City. City and state officials seeking to limit car traffic into Manhattan decided to put a heavy tax on any vehicle traveling into New York County at certain hours of the day.

Many believe that the ulterior motive of congestion pricing was simply to come up with a device to raise more money to feed the Metropolitan Transit Authority's insatiable appetite to spend money it doesn't have. Our center's position is that the MTA's deficits and structural problems are not due to a lack of revenue, but rather to its archaic work rules and overly generous salary, overtime and benefits that it issues to its employees.

Their spending problems came to ahead when it was exposed that a single employee Thomas Caputo, received an unfathomable $344,000 in overtime in a single year. This overtime was eligible to be factored into the retiring Caputo's pension. He wound up getting $162,000 a year. Not a bad way to retire. The rules permitting this type of pension obligation is simply unsustainable. It is no wonder that the authority is on the verge of fiscal collapse.

Our center provided testimony at an MTA hearing regarding the congestion pricing proposal. We recommended that no such additional revenues be passed until the MTA management and unions first come to a deal to fix the spending problem still so prevalent within the authority.

As we did with our recommendations to county and state governments, we called for a replacement of the defined benefit pension system with a defined contribution system.

We also suggested ending the inclusion of overtime into the factoring of a pension.

We also noted how ridiculous work rules needed to be changed. They include policies that pay double time if a worker is assigned to both an electric and diesel train in the same day. Other nonsensical rules relate to overtime pay for washing one's hands or changing clothes.

Most noteworthy was our call for the MTA to be declared insolvent, thereby allowing it to monitored by a fiscal control board or placed in bankruptcy to restructure its debt and rewrite its rules and contracts.

One of our letters to the editor raised the question of why a control board should not be considered for the MTA after Newsday suggested that failing schools be subject to state oversight.

Say No to $70M Water Tax

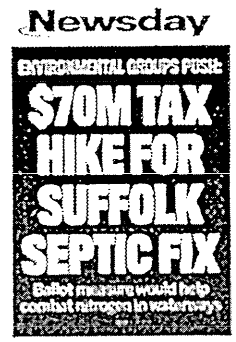
Common Sense Strategies (steve@commonsensestrategies.com)

To: you Details

COMMON SENSE STRATEGIES LLC

March 29, 2019

Hello Steve,


Newsday

ENVIRONMENTAL GROUPS PUSH:

$70M TAX HIKE FOR SUFFOLK SEPTIC FIX

Ballot measure would help combat nitrogen in waterways

Say No to $70M Water Tax

by Steve Levy

They're looking to take our tax money again.

Now the latest money grab is a proposal to increase taxes by $70 million a year for a
clean water program that has little to do with our drinking water.
A number of well-meaning environmental groups are calling for a referendum that w
allow the county to tax us for an additional $70 million a year to mitigate nitrates in o

LONG ISLAND BUSINESSNEWS

Levy: Stop mandating Suffolk residents spend $20K for new cesspools

By: Opinion, Steve Levy August 12, 2019

I'm not sure people yet understand that a new plan from Suffol for them to spend $20,000 to put in an upgraded cesspool whe their homes, but when they do become aware, they're going to rightly so.

Aren't we already taxed enough on this island? The people of the county have to be somewhat cynica "sky is falling" scare tactic employed by many who can't wait to create another revenue stream to fund grandiose projects.

The latest baloney is that our drinking water is so polluted it will soon be undrinkable. There are no fac such an alarming statement. While surface waters have been impacted by algal blooms, the Suffolk C Authority stresses that our aquifers, from which we tap our drinking water, are very safe and meet or e the most stringent regulations in the nation. Yes, there is an infiltration of some nitrogen, but not enoug over. They noted that our water supply comes from over 600 wells, with only two having any nitrogen l concern. And even those are under control.

Yet, we have some county officials and environmental groups calling for the raising of an additional $4 various sources – including a surcharge on our water bills – to solve a problem that has been grossly

Remember, it was just a few decades ago that the public was led to believe our groundwater was jeop that we had to buy as much land as we could to preserve it for our children. So, Suffolk taxpayers (anc including yours truly) agreed to tax themselves to the tune of $1 billion to buy up vacant properties to p aquifer. Now, we're being told that's not enough. Cough up a few billion more. But based on what scie

In fact, Molloy College environmentalist, John Tanacredi, states that these doomsday predictions are i based on unlikely, worst-case, scenarios.

According to Newsday, the water expert said "the plan overestimates the nitrogen coming from septic downplays other contamination sources, such as fertilizer, nitrogen in the air and storm water that can beaches. He also said the plan paints an exaggerated negative picture on the state of Long Island wa on computer models for assumptions rather than current data.

"'As a homeowner in Suffolk County, I'm appalled,' Tanacredi said of the proposed mandates for home eventually convert to advanced septic systems."

It was one thing when the county was creating a fund to incentivize people to voluntarily install these $ cesspools. It's quite another when residents will eventually be mandated to make this type of outlandis when their cesspools fail or when they are selling their homes. Sellers will have to incur this cost even cesspools are in perfect operating condition.

Technology is rapidly changing. In fact, the Bill Gates Foundation is presently developing a super toile implemented in African nations to improve their water quality. It may be that in just a few years relative equipment could be safeguarding cesspools on Long Island at a fraction of the $4 billion in taxes and politicians are looking to raise.

A clean environment is important for all of us and it is laudable that advocates are looking into ways to waterways and aquifers to the greatest possible extent. But these proposals must be balanced and ro If our children or grandchildren can no longer afford to live here in the first place, these idealist propos them a bit of good.

Steve Levy is President of Common Sense Strategies, a political consulting firm. He served as Suffolk Executive, as a NYS Assemblyman, and host of "The Steve Levy Radio Show."

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LONG ISLAND / **ENVIRONMENT**

Environmental groups push property tax or water hike for septic improvements

James Minet, left, is joined by Suffolk County Executive Steve Bellone and James' father Robert Minet as they watch a septic system being installed in front of their Nesconset home in 2015. The family was one of the winners in a lottery to have the septic system installed. Credit: James Carbone

By David M. Schwartz
david.schwartz@newsday.com @schwartznewsNY
Updated March 27, 2019 6:51 PM

Environmental groups are pushing for a Suffolk County ballot measure that would raise $70 million a year through either property taxes or water bills to combat nitrogen in waterways by improving wastewater treatment.

The groups submitted ballot language to the county attorney's office March 8 that will ask voters to approve a property tax line dedicated to grants for nitrogen-removing septic systems, sewer expansions and sewage treatment plant improvements.

Separately, the groups have circulated among civic and environmental organizations a draft letter to county lawmakers asking them to support a referendum on a property tax or a fee on water usage.

"The Long Island that many of us grew up with is being killed by sewage — and we must act to fix the problem now," according to the letter from four Long Island environmental groups that formed the Long Island Clean Water Partnership.

According to advocates, average homeowners would pay about $75 a year under both scenarios, though the Suffolk County Water Authority estimated the costs for a water fee would be $110 or higher for the average residential water user.

The proposals face skepticism from county lawmakers and Suffolk County Water Authority officials concerned about imposing additional costs on Suffolk residents.

It's no sure thing either measure will qualify for the ballot. Advocates said they're still in the early stages and while they had originally been targeting November, some coalition members suggested this week that the effort might be pushed to 2020, as they continue to gather support among elected officials.

To get on the ballot, the water fee would need approval from the State Legislature. State lawmakers said they'd want to see support from the county legislature and Suffolk County Executive Steve Bellone. In 2016, a proposed referendum to raise water rates for wastewater treatment, pushed by Bellone, failed to advance in the State Legislature.

But the proposed property tax could get on the ballot without any legislative support, if backers collect more than 13,000 signatures from Suffolk voters.

While the water fee is preferred by most groups, given residents' opposition to property tax increases, the proposed property tax initiative could be a backup if elected officials balk.

"If the lawmakers don't want to do it, the citizens can do it themselves," said Richard Amper, executive director of the Long Island Pine Barrens Society. "We think the public is supportive of water protection today."

Excess nitrogen has been tied to algal blooms that have decimated shellfish stocks, reduced eel grass populations, depleted oxygen levels in waters, closed swimming at freshwater lakes and damaged natural coastal barriers like marshlands, according to advocates, as well as many environmentalists and academics. A study of the Great South Bay attributed nearly 70 percent of nitrogen to unsewered homes.

About 360,000 homes in Suffolk County are not connected to sewers, and the county has identified 209,000 homes in priority areas to either connect to sewers or install septic systems designed to remove nitrogen.

"The water quality problem is an $8 billion infrastructure problem," said Nicholas Calderon, public policy adviser for The Nature Conservancy, Long Island, citing countywide estimates to connect homes to sewers or advanced septic systems. "It's not going to be fixed by itself. The only way to fix it is we have dedicated revenue stream. It's the only way we can protect our water."

The Long Island Clean Water Partnership is made up of advocacy groups Citizens Campaign for the Environment, The Nature Conservancy, Group for the East End and Long Island Pine Barrens Society.

"If we're ever going to really address water quality, we're going to need a consistent, reliable funding source," said Adrienne Esposito, executive director of Farmingdale-based Citizens Campaign for the Environment.

Bellone, who has made fighting nitrogen the centerpiece of his environmental agenda, was noncommittal about the latest initiatives.

"We are reviewing the current proposal and having conversations with local stakeholders," Bellone said in a statement. He, along with county legislators, are on the ballot for re-election this year.

Suffolk Legislature Presiding Officer DuWayne Gregory said residents struggling with the high cost of living already have been hit this year by federal tax law changes and water rates that could rise dramatically to treat emerging contaminants in drinking water.

"We have to do something to expand advanced wastewater treatment systems and sewers. But we have to come up with a way that's suitable for the taxpayers," Gregory (D-Copiague) said. "They're under a lot of stress and burden. I'm not sure this is necessarily the way to do it."

Jeffrey Szabo, chief executive officer of the Suffolk County Water Authority, said he would oppose a water fee, though he wouldn't oppose a property tax line.

He said nitrogen is not a major concern for drinking water — only two wells out of the district's 600 need treatment — and levels of nitrogen have stabilized or trended down, as he believes farmers improved how they use fertilizers.

"We believe nitrogen is an issue in surface water, in bays and estuaries. When it comes to a drinking water perspective, it's not something that keeps me up at night," Szabo said. "If environmentalists want a tax for sewer purposes, it should not be hidden in residents' water bills."

He said bills that will average $436 a year April 1 could increase an additional 25 percent to 33 percent in future years to pay for treatment of emerging contaminants, which the state is expected to regulate this year.

Additionally, an estimated 25,000 to 40,000 households are on private wells, and don't get a water bill.

Advocates said while a water fee or property tax might not be perfect, it was necessary to find a revenue stream.

"Whether we do it this year or next year is being worked out. But it needs to be done," Esposito said. She called the property tax proposal "a way to get legislators to act on their own. And help them not be so lethargic."

Amper said the partnership would push forward with a referendum this year. "The need is too urgent to wait," he said.

A recurring revenue stream for wastewater would be a capstone of efforts by Bellone and environmental groups that have focused on nitrogen since at least 2014, when the county released an updated water resources plan and Bellone declared nitrogen "public water enemy No. 1."

The county successfully pushed for $362 million in state and federal grants to sewer areas of Mastic and Babylon as a wetland protection program, and built a county program to permit nitrogen-reducing advanced septic systems.

But the major unanswered question all along has been how to fund the plans. Suffolk County in February put out a bid for a study of a countywide wastewater district, which asked consultants to evaluate potential funding streams, including "a surcharge on water usage, and a modest monthly charge to property owners."

A centerpiece of the county's effort so far has been a county grant program to help homeowners pay for new systems, which cost on average of more than $20,000. Funding so far is limited to $10 million from the county over five years and $10 million from the state. Bellone and advocates said that the septic rebate program is threatened over the possibility that homeowners will have to pay taxes on the county and state grants. County Comptroller John Kennedy sent tax forms to homeowners who received the grant, while the Bellone administration said the tax should be paid by the installers who receive the check, citing an opinion from their tax counsel.

Assemb. Fred Thiele (I-Sag Harbor), who sponsored an Assembly bill to allow a water fee referendum three years ago, was waiting to see if there was support in the State Senate, county legislature and county executive.

Still, he saw a need for local funding.

"This is not a one-year, two-year or five-year program," he said. "I don't think we can make any progress on water quality unless we can commit to funding infrastructure projects over a long period of time."

Republican Minority Leader Tom Cilmi (R-Bay Shore) said he "wouldn't close the door on a referendum," but said language would have to be clear about costs to homeowners. He also noted the county should re-examine how it spends sales tax money dedicated to open-space funding to see if that could be better spent on wastewater treatment.

"It's pretty obvious to me that in order to reduce nitrogen, we need to spend some money," he said. "But we're already spending tens of millions on water quality, mainly through the purchase of open space ... Perhaps it's time to re-examine the allocation of that sales tax, rather than charge people additional money they don't have."

Legis. Robert Trotta (R-Fort Salonga) said he wouldn't trust county leadership not to raid the fund, because it borrowed $171 million from a county sewer fund from 2014 to 2017 to pay operating expenses. That money came from a countywide sales tax.

Amper said the language of the proposals would put the money in a "lockbox" so it couldn't be raided by future administrations.

"We're going to do this one way or the other," Amper said. "I've heard county legislators say to me in the last two or three years, I don't want to be accused of raising taxes. You're not going to be accused of raising taxes, you're going to be accused of not letting people decide."

But not everyone in the environmental community agree that unsewered homes represent a crisis.

John Tanacredi, a Molloy College professor and executive director of the Center for Environmental Research and Coastal Oceans Monitoring, said there's been an overemphasis on the dangers of nitrogen coming from septic systems.

"The coastal environment of Long Island is outstanding," he said, pointing to abundant populations of menhaden, sea turtles in Queens and a recent study showing the Long Island Sound's recovery. Algal blooms and fish kills are all part of a natural process, he said.

"To blame it all on these septic systems is inaccurate," he said.

Chris Gobler, a Stony Brook University professor at the School of Marine and Atmospheric Science who has worked with the county and environmental advocates, said sea grass levels, shellfish landings and wetland coverage all have declined dramatically in the Great South Bay.

Windmill article omitted something: the cost to ratepayers

I read a Newsday article about New York state's plan to build windmills off of Long Island's shores. It had lots of statistics, including the ridiculously speculative estimate of $400 million in savings in health care cost due to lower carbon emissions.
One stat that they didn't have: the cost to the average utility customer.

Hold onto your wallets, because it has been estimated that the price per kilowatt for these windmills is 4 to 7 times that of a typical existing power plant.

Some pundits gush over the large percentage of renewables that Germany utilizes. They fail to mention, however, that their utility bills are twice that of our already crippling rates.

Yes, let's encourage more solar and wind turbines, but let's do it realistically and rationally with full transparency and without bankrupting us. If we get there gradually and within reason, we will get to the day when alternatives are cheaper than fossil fuels. We are just not there yet.

April 15, 2019

The war on natural gas will stunt our economy and crush the working class
by Steve Levy

Over the eight years I served as the Suffolk County executive on Long Island, I focused sharply on growing jobs to avoid a mass exodus of our residents to less regulated, lower taxed states. It's no coincidence that excessive spending New York is the nation's highest taxed state and is number one as well in outward migration over the last ten years (an astounding 1.2 million). Despite this burden, Long Island's highly educated workforce has produced a white-hot economy.

But Long Island's economic vitality, like many others throughout the nation, may soon come to a screeching halt because of insane policies promulgated by politicians who are blocking the laying of needed pipelines to deliver cheap, clean natural gas to our residents and businesses.

Within the past month, our regional gas provider, National Grid, announced that it will soon be notifying midsized companies that they won't be able to supply them with the gas they need if New York State follows through with its intention to deny a new undersea pipeline.

Earlier this year, Con Edison, the utility serving New York City and suburbs to the north, informed businesses in Westchester County that they will be unable to tap natural gas because the state had blocked a needed pipeline there. This is sheer lunacy.

Pandering state officials have clamored to burnish their green bona fides by calling for a 50% reduction in fossil fuel emissions by 2030, but have not mentioned that these policies are causing our energy costs to soar. New York's energy bills already exceed the national average by 39-56%.

There has been an irrational objection to natural gas, the expansion of which has been primarily responsible for the U.S. carbon footprint being reduced by 14% over the past 14 years, while global emissions increased 26%. It has allowed us to break free from the stranglehold that oil-rich Middle Eastern tyrants held over our country, and made us the world's leading exporter of energy products.

According to the Manhattan Institute's John Bryce, a 2016 study by IHS Economics found that lower natural-gas prices have created about 1.4 million jobs and increased disposable income by about $156 billion. Given that Americans pay the same price per gallon, regardless of their income, it is the working class that benefits most from these lower energy costs.

In the dream world of the Green New Deal, working class residents will prosper mightily from the jobs the transition from fossil fuels will produce. In the real world, however, the yellow jacketed workers in France have seen the energy taxes imposed by the Greens as a threat to their survival. That sentiment, according to Bjorn Lomborg of the Environmental Assessment Institute, is bolstered by a study from the International Institute for Applied Systems Analysis, which concluded that while climate change could put an extra 24 million people at risk of hunger, a global carbon tax would increase food prices and push 78 million more people into risk of hunger.

Here in America, states such as Ohio and Pennsylvania, which have embraced natural gas, are seeing economic booms. Earlier this year, columnist Rich Lowry noted that since 2012, natural-gas impact fees in Pennsylvania have generated $1.5 billion in state revenue, including almost $500 million designated for environmental conservation. Energy development has also created 300,000 jobs.

Meanwhile, western New York remains in a state of extreme economic distress due to the state's opposition to allowing the harvesting of natural gas in our state. While it's foolish to deny prosperity to upstate New York by opposing fracking, it is incomprehensible to block needed pipelines that can provide us with the fuel we need to survive. And most ironically, the blocking of the pipeline actually increases the state's carbon footprint because the gas will now have to be transported by high polluting trucks, rather than zero emission pipes.

Our state leaders are trying to mirror the ridiculous policies implemented in California, which has caused their electric rates to rise to 60% above the national average. Mark Nelson and Michael Shellenberger of Environmental Progress reported California's electricity rates rose at more than five times the rate of electricity prices in the rest of the US between 2011 and 2017 due to their war on natural gas and other reliable sources.

They are also trying to emulate Germany, whose goal of becoming 80% dependent on alternative energies.has elevated their energy rates to a sum three times that which we pay. According to a recent report by German think tank Agora Energiewende, between 2007 and 2018, residential electricity prices in Germany jumped by 50 percent.

I was so supportive of alternative energies in Suffolk that we labeled ourselves "Solar County." But we also understood that transitioning to renewables was a long-term project that required clean, low-cost natural gas as a bridge to the day when solar (which the Heritage Foundation notes provides a mere 1.3% of our nation's energy) and wind are more cost competitive and productive. The fools who preach for the immediate elimination of natural gas will shepherd us back to the bad old days of energy poverty, dependence on hostile foreign powers, and, ultimately, a dirtier planet.