

CENTER FOR
Cost Effective
GOVERNMENT

A YEAR IN REVIEW (2016)

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2016: A YEAR IN REVIEW

It is with great pleasure that we at the Center for Cost Effective Government publish this 2016 Year in Review. Our Center was developed as a not-for-profit policy center that is more than just the think tank; we are an agent that seeks to implement actual change for the betterment of taxpayers in the Empire State and beyond.

It starts by identifying the reasons why New York is such an expensive place in which to live and do business. The next step is to pinpoint solutions to these problems and get the process going to actually implement needed reforms.

Identifying the problems and educating the public as to the real culprits behind these rising costs is at the center of our work. The mainstay of most of our lectures is the list we compiled of the 10 worst laws in New York State. Of these laws, many are known to the public, yet far more are laws that very few people know about or really understand. They were laws put in place by special interests and, in many cases, are unique to the state of New York.

For instance, few, if any other states, have to deal with the Triborough Amendment, which was put in place by the state legislature decades ago, allowing for public-sector employees to get automatic step salary increases even after a contract has expired. Few people know it exists; and for those who do, fewer still understand the incredible negotiating power this gives to a union over the management team on the other side of the conference table. Why get concessions if your membership continues to get raises anyway, even after the contract has expired? This has traditionally allowed unions to wait it out and hope management will crack. Usually it does.

Few members of the public know what the Wicks Law is and why it was imposed - only in New York State - in the 1920s. By requiring separate bids for every subcontractor, rather than just a single bid for a general contractor, experts have estimated that this archaic New York-only law drives up the cost of the construction of public buildings in the state by up to 30% compared to what it would otherwise be.

Few members of the public understand that New York's state constitution has wording incorporated within it that prohibits legislatures from diminishing or impairing any benefits presently flowing to pensioners. Overtime gets factored into base salaries to dramatically increase public pensions.

And, few other than insiders ever heard of the Scaffold Law - another uniquely New York law passed over 130 years ago, that makes building owners 100% liable for injuries sustained by workers repairing or constructing their building, even if the worker was responsible for the injury. Over 50% of the largest monetary judgments in civil cases in New York over the last few years have been Scaffold Law cases. Scaffold Law opponents have estimated the law adds over \$10,000 in costs to each new home constructed in the state and adds \$785 million of taxpayer costs annually (even adding \$200- 400 million onto the ultimate price tag of the construction of the Tappan Zee Bridge).

Few understand how the New York system of Mandatory Arbitration has been the main reason why the many law enforcement salaries in New York State far exceed \$200,000 a year.

Our Center has been one of the premier entities in New York State educating the public about these issues. We have done so by publishing articles, meeting with elected officials and engaging in a series of lectures throughout Long Island in the state.

Understanding that the public is frustrated over the lack of reform from a recalcitrant state legislature, the Center has been educating the public about the upcoming Constitutional Convention vote in 2017. We are one of the major organizations making it our goal to ensure that state residents are aware that they will have the opportunity to impanel a state Constitutional Convention that will give citizens the ability to alter the Constitution to make it more taxpayer friendly.

If citizens are at their wits' end because the state legislature refuses to make changes to the Wicks or Scaffold laws, or the Triborough Amendment or Mandatory Arbitration, they need to know that they will have their chance to effectuate such changes to a convention. If, on the other hand, they are satisfied with the status of these present laws, they will have the equal ability to keep them in place. Ultimately, it should be the people's will that decides.

For those not willing to wait for a Constitutional Convention to bring about change, there is an effort underway by business leaders on Long Island to obtain the assistance of state legislators to finally get their sponsorship on bills that would reverse many of the Ten Worst laws mentioned herein. The Long Island Strategic Alliance, a conglomeration of over 4,200 businesses on Long Island, has solicited the guidance of the Center on how to best go about getting these previously hesitant legislators to take a stand by finally agreeing to introduce the type of draft legislation conceptualized by the Center, and introduced by members of the non-majority caucus. Scorecards will be developed to educate the public as to which elected officials will sponsor these bills to bring about mandate relief and which will not.

This was also the year our Center took aim at excessive costs within our school systems. For too long it's been believed that more money was always the solution to our school problems. We have found, however, that merely increasing state aid and other expenditures within our districts may be beneficial to the bureaucracy, but does little to impact test scores.

We made it part of our mission to look into some of the reasons our school costs are so high.

We found that products often being purchased by school districts were more expensive if bought through the BOCES system than if they were purchased at a local store. It is actually an out of date state reimbursement system that encourages the purchase of the more expensive products. Our Center has been in the forefront in drafting legislation to try to change this archaic system.

We found as well that many school districts were improperly maintaining artificially high escrow accounts, thereby unnecessarily increasing the property taxes for its residents. We are working with the Association for a Better Long Island through litigation and legislation to return these excess surplus funds to the taxpayer.

While we have applauded the implementation of the property tax cap, we felt the need to educate the public that the 2% limit on tax increases is not necessarily a true 2% cap. Few members of the public are aware that there were several exemptions to the cap, including pension costs and interest on the floating bonds. This has led to a flurry of huge bonds by various districts, some exceeding the \$100 million mark.

We brought the public's attention to one specific district that was piling on a \$240 per year tax increase for the next 20 years to pay for one of its \$69 million bond. None of that cost will be included within the cap formula. It is important that the public be aware of this if they wish to change this system so that the 2% cap can be a true 2% cap. We helped draft legislation that, if passed, would ensure that these bonds can only be placed on the ballot at the same time voters are deciding on the operating budget for the upcoming year. This is intended to avoid the mid-year surprise of extra costs added to the budget after the budget referendum in May of each year.

When lecturing on the Ten Worst Laws mentioned above, we stress how stacked the system is against the taxpayer. Special interests have paid lobbyists who have the time to hover around the halls of government all day to press their agendas. Average taxpayers are working for a living during that time to earn enough money to pay off their exorbitant property taxes. Few citizens are aware that the law in New York presently allows for union leaders to get time off paid by the taxpayers to lobby on behalf of their members. This concept of "union leave" has been challenged in many other states, but few efforts have been made to overturn it in New York. Until now. Our Center is exposing the fact that about \$3 million annually is spent in the county budget alone to free up union leaders from their regular jobs so that they can lobby county management for better wages and benefits. Our Center is considering litigation to have this concept declared an improper use of taxpayer dollars.

2016 has been a very busy year for the Center. Change comes about slowly, especially in a state as entrenched with powerful special interests as is New York. But if the first step is to better educate the public on the causes of the excessive taxation we bear, then it can be said that the Center for Cost Effective Government has indeed been making a difference.

NEW YORK'S TEN WORST LAWS

New York State regularly lands at the bottom of the list of states across America that rank the most affordable places in which to live, pay taxes, and do business. This is not a coincidence.

We are so non-competitive and expensive because of the crushing policies emanating from Albany. Such policies have led to the highest combined state and local taxes in the nation.

No state has seen more of its residents flee to greener pastures than New York. We can reverse that. To combat this taxpayer flight, the Center has compiled our list of the Ten Worst Law in New York State. These are just some of the archaic laws that make New York such an expensive place in which to live or do business. We have been educating the public on these issues at various forums throughout the area. Some of the events we headlined included the Long Island Metro Business Association, Americans for Legal Reform, and the Affiliation of Brookhaven Civic Associations. We also did an appearance on the Curtis Sliwa Radio Show on WABC Talk Radio.

It looks like our advocacy is having a major impact. Below is an article from the New York Business Council magazine which cites our article that was published in the Albany Times Union about the things the state must do to make us more affordable. We will keep fighting the good fight.

CENTER FOR **Cost Effective** **GOVERNMENT**

August 22, 2016
For immediate release
Contact 631-877-0940

10 OF NEW YORK'S MOST BURDENSOME LAWS by Steve Levy

New York State regularly lands at the bottom of the list of states across America that rank the most affordable places in which to live, pay taxes, and do business. This is not a coincidence.

We are so non-competitive and expensive because of the crushing policies emanating from Albany. Such policies have led to the highest combined state and local taxes in the nation. No state has seen more of its residents flee to greener pastures than New York. We can reverse that.

Below is a list of reforms of ten of the most burdensome and illogical laws on the books in New York, as compiled by the Center for Cost Effective Government. Here's a suggestion: Put each of these ten burdens in a single bill that will eliminate them. Then, sit back and watch New York experience an unprecedented Renaissance.

- 1) **Enact pension reform** by installing a 401K-type defined contribution pension for the public sector, as opposed to the present defined benefit pension, which keeps taxpayers on the hook for a guaranteed rate of return.
- 2) **Cap mandatory arbitration** awards that have propelled law enforcement salaries over the \$200,000 mark.
- 3) **Eliminate overtime** from being factored into the base of a pension. This practice has allowed for pensions to be dramatically inflated. Six figure pensions are now quite common.
- 4) **End the Triborough Amendment** that provides for automatic step salary increases in the public sector, even after a contract has expired.
- 5) **Control Medicaid benefits** in New York to levels no greater than required by the federal government. New York taxpayers expend more than a billion dollars above the standards established by the Feds. For instance, while the Feds allow Medicaid to be made available to legal immigrants here more than five years, New York voluntarily waived the five year threshold.

- 6) **End the Wicks Law.** This relic from the early 1900s was originally enacted as a way to supposedly counter fraud in the letting of contracts. Instead of allowing the general contractor on public works projects to choose certain sub-contractors, the Wicks Law mandates that the subs be hired through a bidding process outside the control of the general contractor. It has been estimated by numerous budget experts that the law increases by up to 30% the cost of constructing public buildings in the state.
- 7) **End the Scaffold Law** that holds building owners liable for accidents occurring at their construction sites even though they might not have been negligent in any way. Any employee contributory negligence is discounted. New York is the only state that has such absolute liability.
- 8) **End disability abuse** that allows for some workers to get 3/4 of their pay tax-free if injured on the job. This has resulted in some employees (mostly in law enforcement) getting more staying home than if they are actually working, thereby eroding incentive to get back to work. Also end the "presumption" that heart and lung ailments are necessarily job related.
- 9) **End sick day abuse.** Some local governments allow for employees to cash out huge amounts of unused sick days upon retirement. Some Long Island police, for example, get 26 sick days a year, and many of those not used can be banked for payment upon retirement. The employee is paid for the day at the salary rate he or she has in the last year of service. This has led to some employees getting severance packages of almost a half-million dollars. The New York City policy for sick days of "use it or lose it" should apply.
- 10) **End 20 year retirements.** While the idea of allowing "20 years and out" policies in New York may have in the past been palatable, it is hard to justify such a policy with folks living so much longer today. By the time an officer age 23 reaches 83, the taxpayer could be funding one active and three retired officers (through their pensions) for that one position. It is simply unsustainable.

So there you have it. A reform package that would make New York a far more affordable place in which to live or do business. The Center for Cost Effective Government has placed them front and center.

Do not accept the naysayers' claim that there is no way to fix this expensive state. Our Center has identified the problems. And, as importantly, we've generated the solution: a single omnibus bill that finally rids us of these burdensome laws. What's lacking is a commitment from our state officials to step up and support such a hugely needed reform. Where does your legislator stand?

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

Center for Cost Effective Government

September 22, 2016

Dear {First Name},

It looks like our advocacy is having a major impact. Below is an article from the New York Business Council magazine which cites our article that was published in the Albany Times Union about the things the state must do to make us more affordable. We will keep fighting the good fight.

Former lawmaker gets it right

September 7, 2016

Zack Hutchins

Have you seen former state Assemblyman and Suffolk County Executive Steve Levy's OpEd in today's Times Union?

It should be required reading for all state lawmakers. In the piece Mr. Levy lays out a list of policy initiatives that, if enacted, would reduce state and local government costs; provide the local government mandate relief promised, but never delivered, as part of the real property tax cap; and provide tax relief for employers and residents alike. Taken together, they would greatly improve the business climate of New York State. If many of these look familiar, it's because we have been talking about them for years.

You can read the full OpEd here, but we've included a portion of it below.

Enact pension reform by installing a 401(k) -type defined contribution pension for new public sector employees, as opposed to the present defined benefit pension, which keeps taxpayers on the hook for a guaranteed rate of return.

Cap mandatory arbitration awards that have propelled law enforcement salaries over the \$200,000 mark.

Eliminate overtime from being factored into the base of a pension for all employee tiers. This

practice has allowed for pensions to be dramatically inflated. Six-figure pensions are now quite common.

End the Triborough Amendment that provides for automatic step salary increases in the public sector, even after a contract has expired.

Control Medicaid benefits in New York to levels no greater than required by the federal government. New York taxpayers expend more than a billion dollars above the standards established by the Feds. For instance, while the Feds allow Medicaid to be made available to legal immigrants here more than five years, New York voluntarily waived the five-year threshold.

End the Wicks Law. This relic from the early 1900s was originally enacted as a way to supposedly counter fraud in the letting of contracts. Instead of allowing the general contractor on public works projects to choose certain sub-contractors, the Wicks Law mandates that the subs be hired through a bidding process outside the control of the general contractor. It has been estimated by numerous budget experts that the law increases by up to 30 percent the cost of constructing public buildings in the state.

End the Scaffold Law that holds building owners liable for accidents occurring at their construction sites even though they might not have been negligent in any way. Any employee contributory negligence is discounted. New York is the only state that has such absolute liability. End disability abuse that allows for some workers to get 3/4 of their pay tax-free if injured on the job. This has resulted in some employees (mostly in law enforcement) getting more staying home than if they are actually working, thereby eroding incentive to get back to work. Also end the "presumption" that heart and lung ailments are necessarily job related.

End sick day abuse. Some local governments allow for employees to cash out huge amounts of unused sick days upon retirement. Some Long Island police, for example, get 26 sick days a year, and many of those not used can be banked for payment upon retirement. The employee is paid for the day at the salary rate he or she has in the last year of service. This has led to some employees getting severance packages of almost a half-million dollars. The New York City policy for sick days of "use it or lose it" should apply.

End 20-year retirements. While the idea of allowing "20 years and out" policies in New York may have in the past been palatable, it is hard to justify such a policy with folks living so much longer today. By the time an officer age 23 reaches 83, the taxpayer could be funding one active and three retired officers (through their pensions) for that one position. It is simply unsustainable. The Business Council article can be found here.

Sincerely,

Steve Levy
Center for Cost Effective Government

Center for Cost Effective Government, 228 Barrett Avenue, Bayport, NY 11705

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Steve Levy
President
Common Sense Strategies
228 Barrett Avenue, Bayport, NY 11705
631 877 0940

Bill Would Eliminate Overtime in Pension Calculations

April 2, 2015

by **Steve Levy**

Ground breaking legislation drafted by Assemblyman Michael Fitzpatrick would prohibit the practice of including a public employee's overtime earnings into that employee's pension calculations. The bill, which was drafted at the request of the Center for Cost Effective Government, seeks to amend the state Constitution to shield taxpayers from having to pay for public sector pensions inflated by overtime and severance pay, and limit the pension to be calculated on the employee's base pay.

A recent expose from Newsday reported that there were almost 8,000 public sector employees statewide who are earning in excess of \$100,000 and 90 retirees collecting over \$200,000 per year. One retired Queens College professor receives a taxpayer financed pension of \$569,000 annually. The median household income in New York State is approximately \$54,000.

Veteran employees who have been in the state system for decades are members of tiers that allow severance pay and overtime to be added to one's base salary in the final years of service to calculate the pension that the employee will collect for the rest of his or her life. It is not uncommon to see base salaries of \$125,000 being increased by another \$100,000 in those final years, thereby increasing the amount that the public will have to pay to that employee.

Lawmakers established a fifth and sixth pension tier several years ago that would indirectly limit the amount of overtime to be calculated into a pension formula by limiting the final number to no more than 10% above the employee's average salary over the past four years. However, Fitzpatrick notes that the restriction applies only to employees hired after the effective date of the passage of the new tier. "Unfortunately," said Fitzpatrick, "taxpayers will not see any relief from this new tier for decades down the road. In the meantime they will continue to have to shell out for these exorbitant pensions on a yearly basis. I'm not sure these taxpayers will be able to stay here in New York long enough to appreciate any of the changes that were made in Tier 5 and 6."

Steve Levy, the former Suffolk County executive and New York State assemblyman, and presently the executive director of the Center for Cost Effective Government, stated, "By the time these amendments kick in, taxpayers will have already been chased out of the state because of the outrageous taxes needed to feed the pension beast. Those of us in the system should want to see changes so that the system is still viable twenty years from now."

Center for Cost Effective Government Urges Extending Property Tax Cap Permanently

May 4th, 2015

By **Steve Levy**

The Center for Cost Effective Government today urged New York State lawmakers to make the 2% property tax cap permanent.

The Center is a cadre of over 200 of Long Island's most prominent business and community leaders dedicated towards making Long Island and New York State more affordable. The Center's Executive Director, Steve Levy, a former Suffolk County Executive and New York State Assemblyman, stated: "The tax cap has been an enormous success. As those of us who advocated for its passage had noted, it has forced governments to prioritize their spending in a way we had not seen earlier. While we have not seen property taxes decrease, at least the cap has provided some stability. Permanently extending the cap will provide a greater sense of hope and predictability for millions of property tax payers across the state."

All but a handful of Long Island's school districts stayed within the cap this past year. Officials note that hundreds of millions of dollars have been saved for taxpayers over the last several years due to the slower growth of budgets as a result of the cap.

Levy added, "Once we get the cap extended in perpetuity, we will need the governor and the legislature to follow through on their promise to couple the cap with meaningful mandate relief. Said Levy, "The cap helps control taxes, but is it mandate relief that will ultimately control the underlying cause of increased taxes, which is uncontrolled spending."

NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A7606

SPONSOR: Fitzpatrick

TITLE OF BILL: An act to amend the retirement and social security law, in relation to calculating pension benefits for public employees

PURPOSE OF BILL:

This legislation would limit the calculation of pension benefits to base salary.

SUMMARY OF PROVISIONS:

This bill adds a subdivision to retirement and social security law to expressly prohibit the addition of overtime, unused vacation time, unused sick leave and any unused personal time from the calculation of pension benefits.

JUSTIFICATION:

One of the largest costs for state and local governments and school districts is retirement benefits. It's long been the practice to offer overtime to those members with the most seniority to boost the final average salary in the years closest to retirement. This bill would not prohibit anyone from volunteering to work overtime or prohibit anyone from working overtime; it just limits the pension calculation to the individual employee's base pay.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS FOR STATE AND LOCAL GOVERNMENTS:

This bill would generate savings to the state, local governments and school districts.

EFFECTIVE DATE:

90 days following enactment.

bill Present
OT

7606

2015-2016 Regular Sessions

IN ASSEMBLY

May 20, 2015

Introduced by M. of A. FITZPATRICK -- read once and referred to the
Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to
calculating pension benefits for public employees

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

- 1 Section 1. Section 75 of the retirement and social security law is
- 2 amended by adding a new subdivision e to read as follows:
- 3 e. For purposes of this title, all final average salaries shall be
- 4 calculated exclusive of any form of overtime compensation, unused vaca-
- 5 tion time, unused sick leave or unused personal time.
- 6 § 2. Section 375 of the retirement and social security law is amended
- 7 by adding a new subdivision e to read as follows:
- 8 e. For purposes of this title, all final average salaries shall be
- 9 calculated exclusive of any form of overtime compensation, unused vaca-
- 10 tion time, unused sick leave or unused personal time.
- 11 § 3. This act shall take effect on the ninetieth day after it shall
- 12 have become a law.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD10151-01-5

NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A7773

SPONSOR: Fitzpatrick

TITLE OF BILL: CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY
proposing an amendment to section 7 of article 5 of the constitution, in relation to the
calculation of pension benefits for public employees

PURPOSE OF BILL:

This legislation proposes to amend the constitution with regard to the calculation of
pension benefits of public employees.

SUMMARY OF PROVISIONS:

This bill proposes a change to the constitution regarding the calculation of pension
benefits to be based solely on base salary.

JUSTIFICATION:

One of the largest costs for state and local governments and school districts is
retirement benefits. It's long been the practice to offer overtime to those members with
the most seniority to boost the final average salary in the years closest to retirement.
This bill would not prohibit anyone from volunteering to work overtime or prohibit
anyone from working overtime; it just limits the pension calculation to the individual
employee's base pay.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS FOR STATE AND LOCAL GOVERNMENTS:

This bill would generate savings to the state, local governments and school districts.

EFFECTIVE DATE:

This bill would have to be passed by two successive legislatures.

Amend Const

STATE OF NEW YORK

7773

2015-2016 Regular Sessions

IN ASSEMBLY

May 27, 2015

Introduced by M. of A. FITZPATRICK -- read once and referred to the
Committee on Governmental Operations

CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY

proposing an amendment to section 7 of article 5 of the constitution, in
relation to the calculation of pension benefits for public employees

- 1 Section 1. Resolved (if the Senate concur), That section 7 of article
2 5 of the constitution be amended to read as follows:
3 § 7. After July first, nineteen hundred forty, membership in any
4 pension or retirement system of the state or of a civil division thereof
5 shall be a contractual relationship, the accrued benefits of which, as
6 defined by law, shall not be diminished or impaired.
7 § 2. Resolved (if the Senate concur), That the foregoing amendment be
8 referred to the first regular legislative session convening after the
9 next succeeding general election of members of the assembly, and, in
10 conformity with section 1 of article 19 of the constitution, be
11 published for 3 months previous to the time of such election.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD89095-03-5

The Steve Levy Website

Albany Must Eliminate Overtime From Pensions

timesunion.com

July 7, 2015

by Steve Levy



Published in the Albany Times Union

Most folks I know were outraged to hear last month that a police official from a sleepy village in Nassau County was able to retire with a \$1 million severance package. Unfortunately, few in Albany seem to care. The liberal rules regarding employee compensation in New York's public sector have gotten so out of control that this retiree was able to leave employment with a \$275,000 salary, and cash out of over \$725,000 for unused sick and vacation days, as well as other comp pay.

The scary part is that there are thousands more just like this employee who will be retiring over the next several decades with these stratospheric retirement packages. It doesn't take a Noble Prize economist to figure out that we are heading toward fiscal Armageddon.

The state legislature and the last few governors have talked about reforming the system but have merely nibbled around the edges by implementing new tiers to the pension system that only apply to future hires. It will take twenty-five years before we reap any appreciable results from these so called reforms. By then, our state may be bankrupt and thousands more New Yorkers will flee to more affordable pastures.

There are presently over 8,000 retirees in the state reaping annual pensions exceeding \$100,000. Incredibly, there are over 90 retirees earning in excess of \$200,000 yearly from the state taxpayers. Hold onto your wallets when the tens of thousands of employees hired decades ago start retiring. The system will simply implode.

When asked what they are going to do about these million dollar retirement packages, our state leaders claim they already addressed it by creating the new tiers. What bunk! If no further changes are made, employees will continue over the next two decades to accumulate ridiculous amounts of overtime in the last three years of their employment to artificially inflate their base salaries so their pensions will be significantly higher. How else can an employee with a base salary of \$85,000 retire with a pension of \$110,000.

It is absolutely essential that the State Legislature put in place a reform that would eliminate overtime from being factored into pensions, even for existing employees. They have that opportunity now that a bill drafted by the Center for Cost Effective Government (in consultation with the Empire Center for Public Policy) has been introduced by Assemblyman Michael Fitzpatrick.

Some scholars look to the language of the state Constitution, which states that pension benefits "shall not be diminished or impaired" as evidence that such changes can only be effectuated via a constitutional amendment. Others maintain that the concept only applies to the more generic components of the pension. For instance, it is conceded that a change could not be made from a defined benefit to a defined contribution system for an existing employee unless there is a change to the Constitution itself. But ancillary matters, such as whether overtime or sick days can be calculated into a pension, is a different matter.

It makes sense to simply play it safe and go for the constitutional amendment itself. This is what Assemblyman Fitzpatrick's bill does. Some say it is too difficult a task for the Legislature, yet the Legislature recently amended the Constitution by placing the issue of casino gambling up to referendum.

A second Fitzpatrick bill that deals with eliminating mandatory arbitration (that has given Long Island police salaries exceeding \$200,000), modifying the Triborough Amendment (that gives automatic step salary increases even after a contract expires) and changing to a defined contribution system for future employees (rather than the present defined benefit system that provides a taxpayer guaranteed 7.5% return on the pension fund), has gotten a great deal of support from Republican Assembly members. What has been lacking, however, is any support from Republican Senators or Democratic Assembly members in the majority.

There was time when salaries in the public sector were relatively meager. The low salaries were offset by decent benefits, job security and a modest pension. But the cozy relationship between

liberal politicians and the unions that provide endorsements and contributions to them have shifted the pendulum to the point where the system is simply too unfair and unsustainable for the taxpayer.

The pendulum can be swayed back to middle by the Legislature's passing of these two bills next session. If not, 10 years down the road we will look back at the \$1 million payout for that village police official and say, "Those were the good old days for taxpayers."

Steve Levy is Executive Director of Center For Cost Effective Government, host of "The Steve Levy Radio Show," and a former Suffolk County executive.

PENSION REFORM

Attached is my most recent article that was published in City and State magazine. It discusses how the pension time bomb is impacting both public and private sector pensions, and what must be done to prevent these pension systems from imploding. Some of these companies now have many times more pensioners than workers, a system that is simply unsustainable. Read here to find out more.

We educated the public about the legislation introduced by Assemblyman Michael Fitzpatrick. The bill, A4865, would create a defined contribution pension plan for new employees as opposed to the present benefit system which provides a taxpayer guaranteed 7.5% annual increase in the pension investments. The defined contribution plan would be similar to a typical private sector 401k type plan.

We also highlighted a second Fitzpatrick bill that we helped draft. It would ban overtime from being factored into the base when calculating the amount a retiree will receive as a pension. Pensions are usually based upon the top three earning years, which tend to be the last three years. It is during that period that many public employees work extraordinary hours to maximize their final salaries. They are able to artificially inflate the standard base pay. Consequently, a Nassau police officer, who might have an already high base pay of \$150,000, may earn as much as \$100,000 extra in his last year. The pension that he receives for the rest of his life would now be based on a salary of \$250,000. This is leading to some pensions exceeding \$150,000 annually.

The legislature claims to have conquered the problem by implementing a new Tier 6, which puts a cap on the amount of overtime that can inflate the base pay. The catch is that this will only impact newly hired employees, who will not retire for another 20-30 years down the road. In the meantime, taxpayers will continue to bleed by having to shell out enormous pensions for thousands of baby boomers who will be retiring over the next few decades under the existing rules that have little to no curb on overtime being incorporated into the pension base. The relief we will see in future decades due to Tier 6 will seem irrelevant to the many taxpayers who are bankrupted by the huge and growing pensions that will have to be paid for over the years to come.

The Center helped draft two bills that Assemblyman Fitzpatrick has picked up. The first calls for a ban on overtime being incorporated into pensions for present employees, not just future hires. Since there is debate whether this can be done constitutionally, we have drafted a second bill that would amend the state constitution to erase all doubt. If the legislature could pass a constitutional amendment to open the state to more gambling, it can pass an amendment, subject to voter approval, to protect taxpayers from these out of control pensions.

\$1 million retiree is unfair to taxpayers



**Steve
LEVY**

How could we have gotten to a point where a public-sector worker retires with \$1 million in severance pay? An Old Westbury police chief retired with a \$275,000 salary and cashed out over \$725,000 for unused sick, vacation and other comp payouts.

There was a time, decades ago, when employees took low-paying public-sector jobs in return for security, decent benefits and a modest pension. Liberal elected officials made up for the low pay in spades. They became intoxicated by the endorsements and contributions that flowed in as they sweetened the salary packages. The pendulum swung from being unfair to the employee to now being unfair to the taxpayer. (Note: Not all unions are as strong as police unions. Some remain underpaid.)

The giveaways in the '70s and '80s are coming home to roost. When allowing employees to bank their sick and vacation days, few cared that one day future taxpayers would be shell-ing out a million bucks to an employee.

While today's taxpayers are demanding change, legislators beholden to municipal unions continue to fiddle. They can halt this insanity this instant by signing onto the bill

drafted by Assemblyman Michael Fitzpatrick, R-Smithtown, that would prevent overtime and sick days being factored into the pensions for existing employees. Isn't there any legislator beside Fitzpatrick with the slightest concern for taxpayers, the slightest bit of bravery?

The executive race

County Legislator Rob Trotta just declined to run for Suffolk County executive. Too bad: A retired cop, Trotta has been the biggest critic of County Executive Steve Bellone's police contract that will have some cops making \$227,000. The right Republican could center a successful campaign on these salaries.

Bellone's claim in his re-nomination speech that he inherited "a mess" is hogwash. Spending in that plan was lower than in the 2008 budget. And it eliminated 700 jobs Bellone now takes credit for cutting.

The county's problems are due to excessive borrowing over the last several years (including selling, and then leasing back its buildings, and back-loading generous contracts). Simply talking about clean water (while cutting funds for water testing) and more north-south bus routes (which haven't and won't materialize) won't cut it.

A number of lesser-known Republicans are considering a run. It's a dead end, unless they show the guts to pick up where Trotta left off.

Levy is president of Common Sense Strategies, a political and business consulting firm. He served as Suffolk County executive from 2004-2011.

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► **OPINION**

UNDERFUNDED PENSION SYSTEMS ARE STARTING TO COLLAPSE

BY STEVE LEVY | AUGUST 12, 2016 |

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It is the ultimate wake-up call for present and future pensioners in America: Three New York-based private sector defined-benefit pension programs cut payments to their retirees because they are running out of money.

Unfunded pension obligations are, next to foreign enemies, perhaps the single greatest threat to our nation's future. The need to reform this broken – and soon to be broke – system is paramount, yet the

president has refused to touch this third rail of politics. No surprise there for a liberal Democrat. Yet, on the Republican side, the home of fiscal conservatives, few presidential candidates other than Chris Christie or Scott Walker were willing to even mention entitlements. Moreover, the party's nominee affirmatively proclaims he will not touch them at all.

Meanwhile, pensioners cheer, just as Greek pensioners did when their president defiantly informed their EU creditors that Greece would not support fiscal reforms. Then the money ran out and there was a run on the banks.

As America has been creeping toward European socialism, cities such as Detroit, San Bernardino and Stockton, as well as the commonwealth of Puerto Rico, have imploded, in part due to unsustainable pension obligations.

Cities with defined-benefit pension systems that commit to providing pensioners with an exact, consistent monthly payment, are the ones in the most trouble. Private defined pension systems are experiencing the same crisis. According to Newsday, since February, three private pensions – Bread Carriers Local 707, Bakery Drivers Local 550 and Local 138 Pension Trust Fund – have cut their members' monthly benefits, some by up to 40 percent.

While there were once more employees than retirees in the systems, the ratio is now flipped on its head. Locals 707 and 550 have, respectively, 740 and 150 employees, compared to 3,820 and 1,300 retirees. Local 707 takes in \$7 million a year, but is obligated to pay out \$48 million per year in retiree benefits.

When a nation or a pension system has more people on the cart than pushing it, it spells trouble. It's the same reason Social Security's trajectory is unsustainable. While in 1950 there were 16 workers for every retiree, there are now just three workers per retiree.

This is why it matters that we look at the unemployment rate by including the number of people who have stopped seeking work. The social welfare system that has ballooned over the last decade, including the skyrocketing number of those now on disability (approximately 9 million), has resulted in the highest ever number of Americans who are not working (approximately 93 million). Politicians and pensioners ignore this trend at their peril.

After a career in state and local government, I am now a member of the retirement system. So I'm often asked in amazement why I would be advocating changes to a system that guarantees me a handsome sum each month. The answer is that I want the system to still be around in the decades to come.

We can avoid the type of fiscal Armageddon we are seeing in the imploding systems mentioned above by making changes most Americans would deem reasonable, if not necessary.

Here are just some solutions that officials need to implement as soon as possible:

Shift to defined contribution systems for future employees similar to a typical private sector 401(k) plan, rather than a defined benefit program that has taxpayer guarantees for public pension benefits by making up for market losses.

End public sector rules that allow for retirement after just 20 years. They are no longer realistic or sustainable.

Stop overtime from being factored into formulas setting pension rates.

Consider small increases of employee contributions into the system.

Curtail over-taxation and regulation that kill job openings that would help fund the pension system.

Eliminate disincentives for able-bodied Americans to work. Everyone has stress and lower back pain; that shouldn't qualify 35-year-olds for permanent disability. And the original work requirements in the '90s Welfare Reform Act that were liberalized by the current administration must be reimposed.

Our current crop of leaders has been spineless in dealing with this brewing crisis. So here's my final suggestion: impanel another Simpson-Bowles type commission that can promulgate solutions. But this time, give it teeth.

We can use the BRAC Commission's success in closing superfluous military bases as a model. Congress provided power to the commission to decide upon and actually close the bases, with electeds retaining only the power to veto the decision in its entirety. It was cowardly, in that it shielded the representatives from accountability. But, it worked. Perhaps the mere threat of having such a panel will finally get Congress to take action on this urgent subject.

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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OPINION: STINGY PBA ARBITRATORS GIVE STORE AWAY ELSEWHERE

BY STEVE LEVY | NOV 27, 2015 |

25



New York City Patrolmen's Benevolent Association President Patrick Lynch Editorial Credit: a katz / Shutterstock.com

As a former assemblyman who once cast the only "nay" vote to extend mandatory arbitration to settle police wage disputes, I had conflicting emotions in hearing about the arbitration ruling granting New York City police officers a mere one percent annual salary increase.

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For once, the arbitration panel did not give the store away. But in erring on the side of fiscal responsibility, the arbitrators got it completely backwards. New York City officers are hardly overpaid. The belt tightening is needed mostly in other departments around the state, such as those on Long Island, where arbitrators had at one point given starting salaries that were higher than where New York City officers capped out.

It is remarkably counterintuitive that police covering relatively safe suburbs could be earning over \$200,000 annually while New York City cops, who were facing far more danger and confrontation, were receiving unsatisfactory wages.

These sort of illogical outcomes stem entirely from the well intentioned, but highly abused, mandatory arbitration system. The arbitration laws were instituted in 1974 as a supplement to the controversial Taylor Law, which was crafted in response to union strikes that crippled the city's finances. The laws stated that unions would forgo the ability to strike and gave independent panels the power to quickly settle disputes to keep workers on the job. New York City police unions, however, were excluded from the law.

The result was a game of salary leapfrog between Nassau and Suffolk county police departments. An arbitrator would grant huge raises to one county only to have the adjoining county ask for more the next round – using the other county's award as a new market value that needed to be topped.

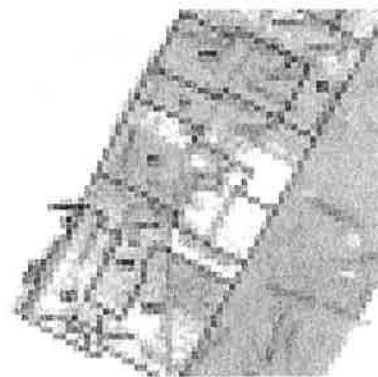
Mandatory arbitration became an unforeseen boon to the unions. County elected officials, who were supposed to be adversaries of the unions at the bargaining table, were unduly influenced by union endorsements and donations. Local electeds were more than happy to punt the salary decision off to the arbitrator without so much as a fight. When the arbitrator granted increases far above inflation, the unions got what they wanted, while the electeds got their continued flow of donations and would simply blame the arbitrator for the taxpayer hit.

The salary and terms became so outlandish that Long Island contracts contain provisions granting salaries over \$200,000 per year, with 100 paid days off, six weeks vacation, pension exceeding \$150,000 per year, and severance pay of a quarter million dollars for unused sick and vacation days. These types of numbers were inconceivable to New York City cops.

In 1998, New York city cops were finally granted mandatory arbitration. Unfortunately, just when they thought they would start to catch up to the relatively exorbitant salaries of Long Island cops, they get hit with one of the stingiest arbitrations for law enforcement ever seen in New York state.

Here are four ways for arbitrators to get it right the next time:

- Give underpaid New York City cops a decent bump, while holding the line on the Long Island salaries that are already in the stratosphere.



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- Remove the Long Island provision that allows officers to cash out unused sick days and adopt the New York City rule that gives unlimited sick, where justified, without any cash outs.
- End the process of allowing employees to factor overtime into the salary upon which a pension will be based.
- Reform rules that allow for tax-free salaries for workers on disability, thereby netting them more income than officers who are working.

State legislators can do their part during the upcoming 2016 legislative session, when they will have the opportunity to pass bills presently in committee that would significantly change the mandatory arbitration process. The Legislature can simply allow the arbitration law to expire by simply refusing to renew it (as is required every two years). My lone vote against continuing arbitration almost 15 years ago was before there was a focus on the abuses of this system. Now that the public is more keenly aware of the \$200,000 police officer on Long Island, perhaps more than just a single nay vote will be cast

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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Center for Cost Effective Government
April 11, 2016
Dear {First Name},
[Click Here To View Highest Pension Earners](#)

As you know, our center has been focusing on the unsustainably high pension costs on Long Island and in our state. The link above illustrates just how high some of these pensions are.

This is all the more reason that we need your help in calling your state representatives to insist that they pass the bill we drafted along with Assemblyman Michael Fitzpatrick. The bill is A4865.

This would create a defined contribution pension plan for new employees as opposed to the present benefit system which provides a tax payer guaranteed 7.5% annual increase in the pension investments. The defined contribution plan would be similar to a typical private sector 401k type plan.

Thus far, there is not a single Long Island senator or majority assembly member supporting the bill. That must change.

Help us do so by letting your senator and assemblymen know how you feel about this broken system.

Sincerely,

Steve Levy
Center for Cost Effective Government



Next on Patch » Nassau Police Charge 12 With DWI

(<http://patch.com/new-york/portwashington/nassau-police-charge-12-dwi-1>)

27 Retired Long Island Educators Collect Pensions of More Than \$200K a Year

Check out the full top 100 list of former Long Island school employees with the highest pensions.

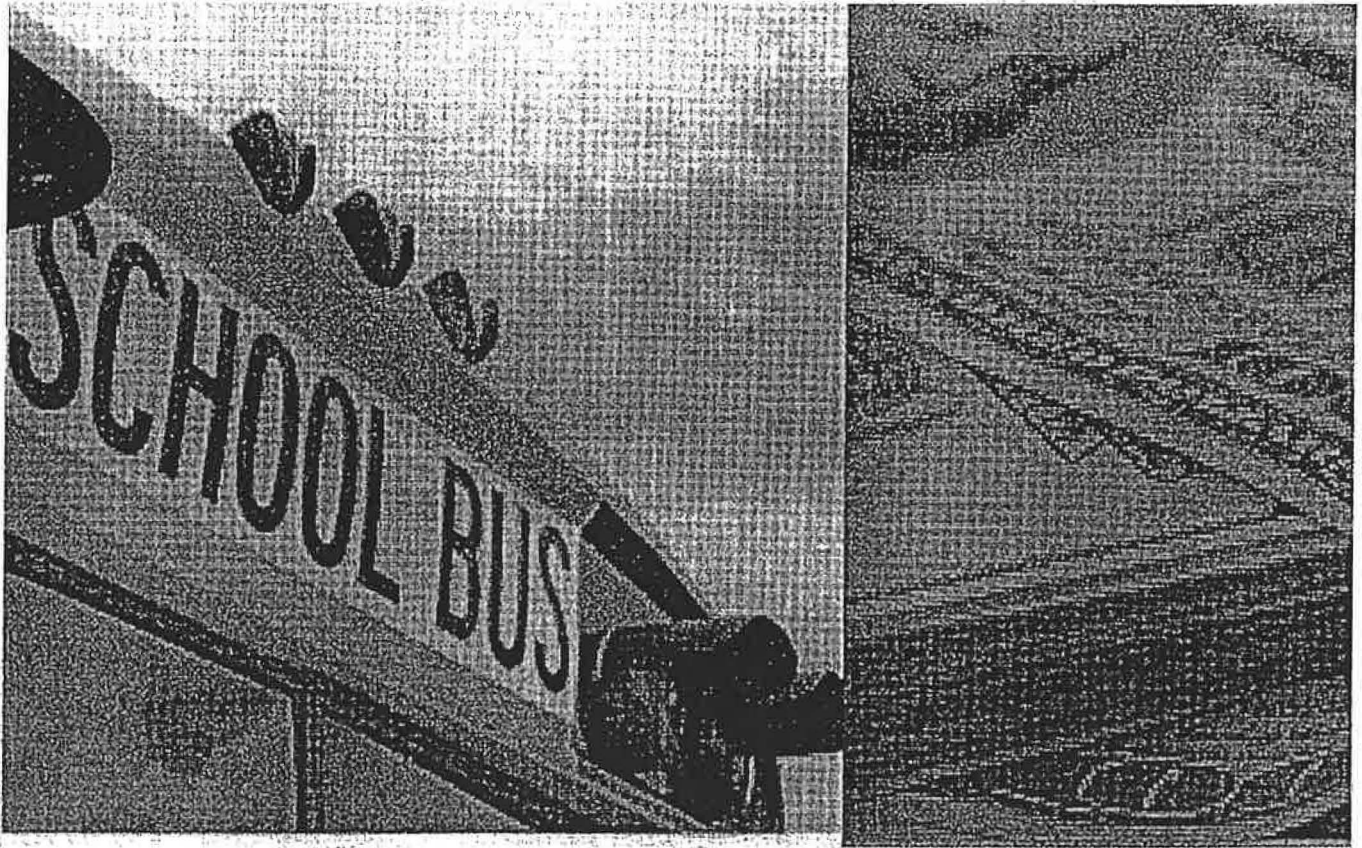
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By PAIGE MCATEE (Patch Staff) - (<http://patch.com/users/paigemcatee>) ☺ April 1, 2016 9:08 pm ET

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Long Island school districts are paying a lot of money for ex-employees who don't work anymore.



Below is a list of 100 ex-Long Island school district employees who collect more than \$157,000 in annual pension payments based on information from SeeThroughNY (<http://seethroughny.net/>), a transparency website run by the Empire Center.

Compared to the rest of New York, former school employees get the best treatment on Long Island.

And compared to ex-school district employees from New Jersey, school district retirees from New York have it much better. Only the top 2 highest paid ex-employees from New Jersey (<http://patch.com/new-jersey/mahwah/you-wont-believe-how-much-mahwah-other-school-districts-pay-100-people-who-dont-work>) could crack Long Island's top 50.

The top of the Long Island list is dominated by former superintendents, including No. 1 James Feltman, who retired as the superintendent of the Commack School District in 2010. Feltman's annual pension is \$326,214.

The New York Teacher Retirement System says it's "consistently among the top-performing and best-funded public pension funds, particularly among teacher retirement systems."

According to the NYSTRS 2015 annual report: Final average salary is generally determined by the average of the employee's three highest consecutive school years of regular salary. This is excluding "termination pay, retirement bonuses, pay for unused sick leave or accumulated vacation, and increases in salary which exceed certain limitations."

Below is the list of the top 100 highest paid school district retirees from Long Island, which includes their district name and payout:

1. Feltman, James A, Commack Union Free Schools: \$326,214
2. Karnilow, Sheldon, Half Hollow Hills Central Schools: \$322,650
3. Hankin, Carole, Syosset Central Schools: \$320,152
4. Hunderfund, James H, Commack Union Free Schools: \$317,289
5. Shea, Thomas C, South Huntington Union Free Schools: \$293,070
6. Brande, Richard T, Brookhaven-Comsewogue Union Free Schools: \$291,713
7. Saffer, Shelley, Brookhaven-Comsewogue Union Free Schools: \$289,269
8. Brown, Herb R, Oceanside Union Free Schools: \$285,200
9. Friedman, Ronald L, Great Neck Public Schools: \$267,672
10. Sulc, Charles V, Massapequa Public Schools: \$254,420
11. Licopoli, Lorenzo, Mineola Union Free Schools: \$240,921
12. Campo, Leon J, East Meadow Union Free Schools: \$233,785
13. Richman, John A, Roslyn Public Schools: \$231,645
14. Brosnan, William J, Jr, Northport-East Northport Union Free Schools:

\$229,966

15. Melucci, Ranier W, Merrick Union Free Schools: \$226,542
16. Meierdiercks, Warren A, Sewanhaka Central Schools: \$222,945
17. Greenberg, Robert, Long Beach City School District: \$218,935
18. Bonasera, Anthony J, Mount Sinai Union Free Schools: \$216,817
19. Mc Donald, William J, Floral Park-Bellerose Union Free Schools: \$216,486
20. Hirt, Richard I, Locust Valley Central Schools: \$215,868
21. Goldstein, George A, Sewanhaka Central Schools: \$214,753
22. Sirois, Herman A, Levittown Union Free Schools: \$214,224
23. Nathan, Richard B, Lindenhurst Public Schools: \$211,585
24. Finello, John J, Huntington Union Free Schools, SUNY at Stony Brook:
\$207,721
25. Brooks, Martin G, Plainview-Old Bethpage Central Schools: \$206,322
26. Bolton, William R, Copiague Union Free Schools: \$205,081
27. Lederer, Neil, Lindenhurst Public Schools: \$204,953
28. Weiss, Kathy G, Baldwin Union Free Schools: \$198,534
29. Ehmann, Edward L, Smithtown Central Schools: \$197,352
30. Boyd-Bright, Maureen K, Hicksville Public Schools: \$196,491
31. Van Eyk, Jonathan P, Mount Sinai Union Free Schools: \$196,131
32. Caramore, Thomas J, Bellmore-Merrick Central Schools: \$195,247
33. Cronin, George T, Central Islip Union Free Schools: \$194,389
34. Smith, Lois M, Jericho Union Free Schools: \$192,961
35. Savaglio, Ernest G, Jr, Jericho Union Free Schools: \$191,480
36. Black, Leslie A, Brentwood Union Free Schools: \$191,384
37. Colvin, Joan L, Jericho Union Free Schools: \$190,554
38. Governale, Joseph R, Central Islip Union Free Schools: \$190,355
39. Mensch, Michael J, Suffolk 2 BOCES: \$189,842
40. Marsh, Richard S, Bethpage Union Free Schools: \$189,178
41. Pereira, Lawrence F, Massapequa Public Schools: \$188,267
42. Bonuso, Carl A, Wantagh Union Free Schools: \$187,630

43. Eisenberg, Carol D, West Hempstead Union Free Schools: \$187,430
44. Lison, Elizabeth J, Valley Stream #13 Union Free Schools: \$187,283
45. Bixhorn, Gary D, Eastern Suffolk 1 BOCES: \$184,090
46. Bernstein, Marc F, Valley Stream Central High School: \$183,964
47. Frontario, Louis S, Oceanside Union Free Schools: \$183,304
48. McDermott, Marylou, Northport-East Northport Union Free Schools:
\$182,496
49. Segerdahl, Richard N, Island Trees Union Free Schools: \$181,922
50. Aloise, Robert W, North Babylon Union Free Schools: \$181,592
51. Boyes, Joseph R, Southampton Union Free Schools: \$181,508
52. Dragone, Joseph C, Roslyn Public Schools: \$181,439
53. Jonas, Arthur E, Plainview-Old Bethpage Central Schools: \$180,810
54. Chapman, Karen A, Hewlett-Woodmere Union Free Schools: \$179,568
55. Nelson, Brent S, Nassau BOCES, Nassau Community College: \$179,172
56. Vale, Ronald C, Commack Union Free Schools: \$177,491
57. Goldstein, Arnold M, North Bellmore Union Free Schools: \$177,276
58. Blau, Beth V, West Islip Union Free Schools: \$177,189
59. Tassone, Frank A, Jr, Roslyn Public Schools: \$175,295
60. Leitman, Stephen I, Garden City Union Free Schools: \$173,867
61. Chu, Wendell W, East Islip Union Free Schools: \$173,800
62. Simels, Christie Z, Eastchester Union Free Schools, SUNY at Stony Brook :
\$171,928
63. Squires, Nancy K, SUNY at Stony Brook: \$171,806
64. Singe, Anthony L, Locust Valley Central Schools: \$170,797
65. Noble, Melvin S, West Babylon Union Free Schools: \$170,493
66. Copel, Harriet R, Shoreham-Wading River Central Schools: \$170,340
67. Ruck, James A, Northport-East Northport Union Free Schools, Sachem
Central Schools: \$170,115
68. McGoldrick, Lawrence R, Valley Stream #30 Union Free Schools: \$169,304
69. Travis-Moore, Pamela J, Commack Union Free Schools: \$169,008

70. McGuire, Kevin, Half Hollow Hills Central Schools: \$168,898
71. McCloat, Raymond A, Harborfields Central Schools: \$168,459
72. Fale, Edward M, Valley Stream #24 Union Free Schools: \$168,137
73. Schwartz, Lynn, Westhampton Beach Union Free Schools: \$168,127
74. Gangemi, John G, Nassau BOCES: \$167,161
75. Horowitz, Manuela, Great Neck Public Schools: \$167,106
76. Pakett, Roy A, Central Islip Union Free Schools: \$165,620
77. Schneider, Jorge E, Syosset Central Schools: \$165,533
78. Markle, Thomas J, Seaford Public Schools: \$165,260
79. Manheimer, Robert, Jericho Union Free Schools: \$164,726
80. Raber, Barbara, Great Neck Public Schools, \$164,564
81. Dodge, Arnold E, East Rockaway Union Free Schools: \$163,829
82. Chase, Albert T, Garden City Union Free Schools: \$163,646
83. Smith, Helen B, Suffolk 2 BOCES: \$162,486
84. Evans, Sally H, Levittown Union Free Schools: \$162,185
85. Baltic, Barri L, Central Islip Union Free Schools: \$162,178
86. Wright, Perletter, Roosevelt Union Free Schools, SUNY College at Old Westbury: \$162,081
87. Heppeler, Charles N, Jr, Commack Union Free Schools: \$161,497
88. Planz, Charles A: SUNY at Stony Brook, Smithtown Central Schools: \$160,373
89. Druckman, Diane, Islip Union Free Schools: \$160,269
90. Kozora, Charles E, Jr, Greenport Public Schools: \$160,038
91. DeStio, Michael P, Half Hollow Hills Central Schools: \$159,516
92. Groshans, Edwin G, Great Neck Public Schools: \$159,410
93. Morris, Jeffrey C, Half Hollow Hills Central Schools: \$159,178
94. Myers, Joseph D, Suffolk 2 BOCES: \$158,838
95. Roes, Stephanie W, Central Islip Union Free Schools: \$158,753
96. Kindelmann, Albert G, Half Hollow Hills Central Schools: \$158,749
97. Bronzo, Robert J, Brentwood Union Free Schools: \$158,304
98. Cheliotas, Helen, Long Beach City School District: \$158,176

99. Connolly, Neil J, Carle Place Union Free Schools, NYC Teachers' Retirement System: \$158,043
00. Dillon, Robert R, East Meadow Union Free Schools, SUNY College at New Paltz: \$157,679

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Analysis of the California Public Employees' Pension Reform Act of 2013 (PEPRA)

PEPRA failed to substantially reform California's pension systems

Victor Nava and Lance Christensen

March 13, 2015

The state of California and its local governments are saddled with unfunded public pension liabilities estimated to be as high as \$583 billion. As a result, several municipalities in the state now have the difficult task of balancing budgets in a way that is fair to both public employees and taxpayers, while continuing to provide basic services. Indeed, public pension debt has contributed to the bankruptcies of the cities of Stockton, Vallejo and San Bernardino and has left other municipalities, such as Desert Hot Springs, in dire fiscal straits.

In response, state legislators on both sides of the political aisle passed the California Public Employees' Pension Reform Act of 2013 (PEPRA) to address unfunded public pension liability.

This brief provides an overview of PEPRA's key features, analyzes the weaknesses of the law, and offers recommendations for substantive reform of California's public pension systems.

Weaknesses of PEPRA

Negligible Impact: The shortfalls California pension funds face are much larger than the modest savings PEPRA provides. Estimates peg California's unfunded pension liability between \$130 billion on the low end and \$583 billion on the high end, not including the state's estimated \$150 billion dollar retiree health care liability. Compared to those liabilities, the \$20 billion or so in present value savings over 30 years (at the high end of CalPERS and CalSTRS estimates) is a small percentage. Moreover, some of the reforms—such as the changes to benefit formulas, capping and defining pensionable compensation, and averaging final compensation over three years—will reduce costs and future unfunded liabilities, but those provisions have very little impact on the existing unfunded pension liabilities. As pension analyst John Dickerson puts it, “PEPRA tries to prevent fires two decades in the future but completely ignores today's debt firestorm.”

Too Many Employees Are Exempted: PEPRAs narrow definition of “new employee” leaves significant potential savings for employers on the table. As well, whole swaths of pension systems are exempt. Such exemptions dilute the impact of PEPRAs in solving the unfunded liability problem.

Excessive OPEB (Other Post-Employment Benefits): While PEPRAs create new tiers for both safety and non-safety employees with lower benefits, PEPRAs pension benefit adjustments do not go far enough. Many public employees in California have been promised health coverage for life, one of the major components to other post-employment benefits (OPEB), even though state and local governments are not setting aside the funds required to cover these future obligations. An April 2014 report found an unfunded retiree health care liability of \$157.7 billion.

Overuse of “Safety Employee” Designation: The benefits received by safety members are greater than those of regular public employees, but these more generous benefits should be limited to employees who work in risky and dangerous situations protecting people from physical harm. In 1960, approximately 1 in 20 workers in California were classified as peacekeepers. By 2004, that number grew to 1 in 3. The term has become so vague that by 2008, over 60% of the California Union of Safety Employees included non-peace officers, such as milk inspectors, billboard inspectors, DMV drive test employees, lab technicians, smog-check employees and dispatchers.

No Taxpayer Representation on the Board: PEPRAs failed to make any structural changes to the composition of the state pension boards that would provide for professionalized governance instead of the current bodies that are otherwise politically motivated and function with little finance or investment experience. As it now stands, government employees, retirees and politicians who have incentives to approve benefits beyond what the system can handle and are possibly be directly financially affected by board actions comprise CalPERS and CalSTRS boards. Rather than build a system that is affordable, sustainable and secure, the boards’ (as currently structured) main goals are to maximize their benefits and reduce costs of members.

Policy Recommendations

Though PEPRAs moved the state on a more prudent path, its elected officials failed to make substantial reform to California’s pension systems sustainable for both employees and taxpayers. Substantive pension reform in California should include elements such as:

Creating a defined contribution plan or defined benefit/defined contribution hybrid pension plan for new employees.

Providing better taxpayer representation and more investment and financial expertise on the CalPERS board.

Enacting measures to pay down California's existing unfunded liability quicker, such as switching to a level dollar amortization schedule and requiring higher employee contributions for new and current employees.

Addressing the "California Rule" allowing the state and municipalities to modify future pension benefits for current public employees.

Narrowing "safety employees" classification for employees who are regularly performing their duties at great risk and in harm's way.

Expanding PEPPRA's limitations on post-retirement employment to all CalSTRS retirees, public safety workers and judges who are currently exempt from the rule.

Basing final compensation on an average of three to five years of highest years' salary.

Defining pensionable pay as "the normal monthly rate of pay or base pay" for all employees.

Limiting special compensation categories from counting toward pensionable pay by significantly narrowing CalPERS's list of special compensation, which has not been revised since 1993.

Freezing cost-of-living adjustments until CalPERS and CalSTRS are 100% funded.

Including public transit employees as a part of any substantive pension reform bill.

Classifying any employee who leaves the state pension system for the private sector, and returns after more than a year as a "new employee."

PEPPRA does not include any of the recommendations referenced above and addresses only four of the 12 points in Governor Jerry Brown's original plan for California pension reform. Potential cost-saving measures in the governor's plan left out of PEPPRA include changes to the CalPERS board, changes to the retiree health care benefit system, and the inclusion of a defined benefit/defined contribution hybrid pension plan for new employees.

Failing to address the current pension unfunded liabilities in California is a significant weakness in PEPPRA, and ignoring the debt pressure pension costs have on other budget priorities reduces the impact of the well-meaning reforms in the bill.

It is in the interest of all Californians to encourage a public pension law that provides a fair, workable plan to pay down the accumulated pension debt as quickly as possible and implements processes and practices that ensure both the state and local governments adequately fund their retirement promises.

- See more at: <http://reason.org/news/show/ca-pepra-pension-reform#sthash.jFQ7k2kq.dpuf>

CURBING SCHOOL BONDING

Several years ago, the state legislature enacted a cap on local property taxes. It has been a huge success, forcing localities and schools to prioritize their spending. While it is commonly referred to as a 2% cap, in actuality it is more complicated than that. First of all, it is 2% or the rate of inflation, whichever is smaller. But less known is the fact that there are a number of exemptions to the cap. For instance, expenditures made to cover pension costs or to pay interest on debt are exempt. The latter is starting to become an issue of concern, given that many schools are now catching on that they can get a large amount of expenses covered without be counted within the caps parameters. So, a district that might have ordinarily placed money in its operating budget for annual repairs, may now be paying for those repairs by including the work in a large catch-all bond that will surface from time to time.

Here are the contents of a letter that we had published in Newsday addressing the massive bond floated by one district and its impact on taxpayers:

Dear Editor:

Something alarming went under the radar regarding the passage of Amityville school district's \$69 million bond (March 10, "Voters Ok 69M for Bond") While it was reported that each household will pay an extra \$242 for each of the next 20 years for interest on this bond, it must be underscored that this amounts to an approximate 3.4% tax increase on a typical \$8,000 tax bill from this one item alone.

Worse yet, this significant tax hike is exempt from the parameters of the 2% property tax cap (actually under 1% this year). So, while voters approved the budget in May thinking they were within the tax cap, they then get clobbered with the bond that almost guarantees increases over the next 20 years in excess of the cap's intent.

There is no reason that interest on a bond should be exempt from the cap

Thus far, there is not a single Long Island senator or majority assembly member supporting the bill. That must change. (End)

The legislation that we helped draft will seek to limit the ability of school districts to circumvent the 2% tax cap by floating bonds in the \$30 to \$100 million levels after the public has voted on the school budget in May.

At one our our general meetings, Jim Ansel, a taxpayer watchdog in the Port Washington School District, provided insight on how items that should be operational are being folded into these bonded resolutions.

We are continuing to work with Senator Boyle to push our legislation that will limit these bond referendums to the same day that the public votes on the school budgets.

We are also seeking to have it made clear as to what the impact of the interest on the bonds will be on the overall budget. Since the interest payments are exempt from the 2% cap, taxpayers continue to believe that spending is staying within those parameters.

CENTER FOR
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GOVERNMENT

228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

Center for Cost Effective Government
February 18, 2016
Dear {First Name},

We had a great meeting of the Center for Cost Effective Government on February 9th at Madison Steakhouse. We discussed the legislation that we helped draft that will seek to limit the ability of school districts to circumvent the 2% tax cap by floating bonds in the \$30 to \$100 million levels after the public has voted on the school budget in May.

Jim Ansel, a taxpayer watchdog in the Port Washington School District provided insight on how items that should be operational are being folded into these bonded resolutions. We are continuing to work with Senator Boyle to push our legislation that will limit these bond referendums to the same day that the public votes on the school budgets.

We are also seeking to have it made clear as to what the impact of the interest on the bonds will be on the overall budget. For instance, a proposed \$70 million bond in one particular district will lead to an increase of approximately \$270 per household for decades to come. The interest alone constitutes an approximate 3.4% increase over the present budget. Since this is exempt from the 2% cap, taxpayers continue to believe that spending is staying within those parameters.

We also discussed the concept of exploring the use of 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 as to how much they can make 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 can 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.

We will keep you informed as to our upcoming meetings and activities.

Sincerely,

Steve Levy
Center for Cost Effective Government

Center for Cost Effective Government, 228 Barrett Avenue, Bayport, NY 11705

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Steve Levy
President
Common Sense Strategies
228 Barrett Avenue, Bayport, NY 11705
631 877 0940

School Districts Bond referendum

When-How much-where

Amityville: November 2015: \$70 million →

West Islip: November 2015: \$50 million → \$15 million to taxpayers

Port Washington: March 2015: \$70 million →

Long Beach: 2009: \$93 million

Long Beach: \$6 million emergency funds for exterior repairs + \$93 million

Long Beach: FAILED: \$350 million 3 year plan

CSD Projects	value	start/ completion Date	Highlights**
Elementary School	\$30 million	May 2012/Second-half 2013	Built in 1953. Project includes new instructional space for r
Beach High School	\$29 million	July 2011/First-half 2014	Built in 1971. Project includes substantial upgrades to interi improvements; sitework.
Beach Middle School	\$17 million	Sept. 2009/Winter 2012-13	Built in 1953. Project includes substantial upgrades to interi improvements.
lell Elementary School	\$18 million	July 2008/Winter 2012-13	Built in 1939. Project includes upgrades to emergency-relat
Elementary School	\$3 Million	July 2012/Winter 2012-13	Built in 1926. Project includes health and safety improveme
t Elementary School	\$2 million	July 2012/Winter 2012-13	Built in 1960. Project includes health and safety improveme
kheath Pre-K	Part of LBHS project cost	N/A	Built in the 1950s. The buildings, part of the LBHS campus summer when the sitework and field additions are under wa

Riverhead: October 2011: \$78 million → expansions, renovations, infrastructure improvements.

Riverhead: FAILED: February 2010: \$122 million.

- At \$32 million, the largest part of the program was about expanding and renovating Riverhead High School. The high school budget encompassed \$22 million in spatial needs work, \$9 million in facility improvements and \$1 million in site upgrades.
- And renovations were done on various rooms, including the library, auditorium, and music rooms and special education rooms. A smaller, second addition has a physical education station, including a new weight training room.

Bayport Blue Point: November 2015: \$30 million: facilities improvement

Sachem: \$33 million: February 2008

Three Village: \$73 million: October 2007

East Hampton: May 2006: \$79 million

Islip: 2012-2013: \$47 million

\$76.20 per year or \$6.35 a month for a home with an assessed value of \$4,000.
APPROVED

The total amount for Proposition #2 is \$1.985 million. For the average home with an assessed value of \$4,000, the increase would be \$13.08 per year if Proposition #2 is approved. DENIED (turf field)

East Hampton School District March 2006 → \$80 million

Westhampton Beach 2007 → \$7.8 million (library)

Plainview-Old Bethpage 2014 → \$49.8 million

Lindenhurst 2014 → \$8.8 million

Sayville 2007 → \$12.1 million

West Babylon 2015 → \$30 million

Middle Country 2014 → \$125.2 million



HOME

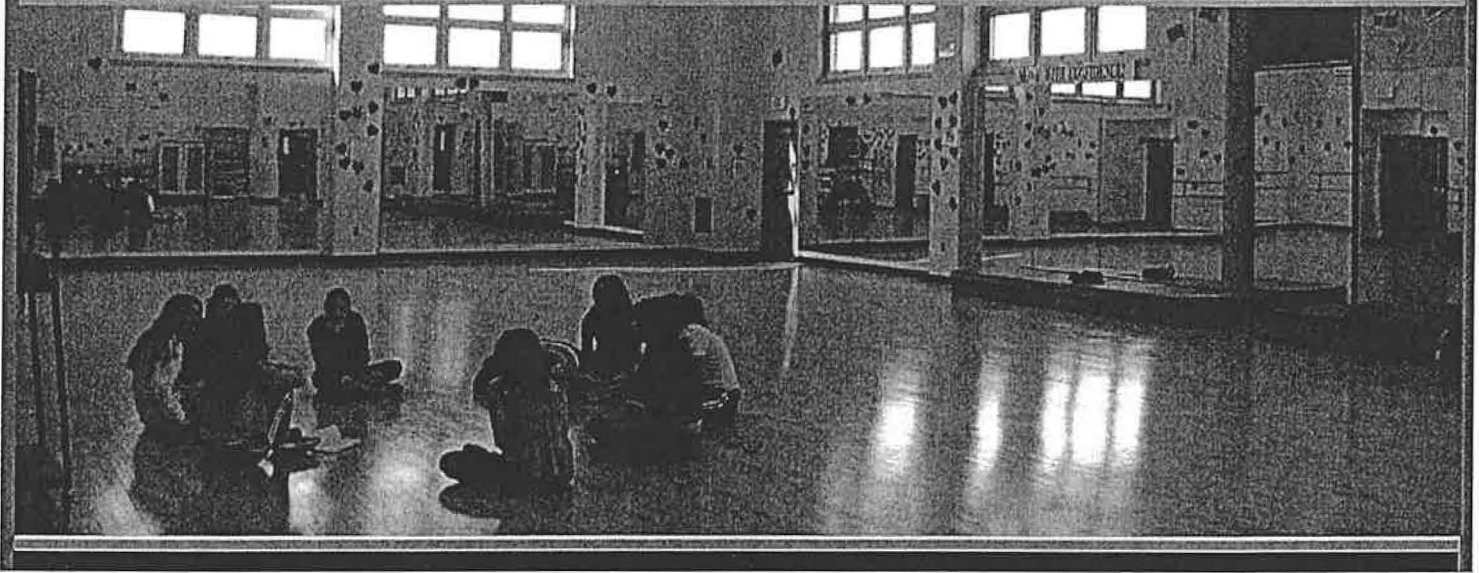
ABOUT

SERVICES

EXPERIENCE

ACCOMPLISHMENTS

CONTACT

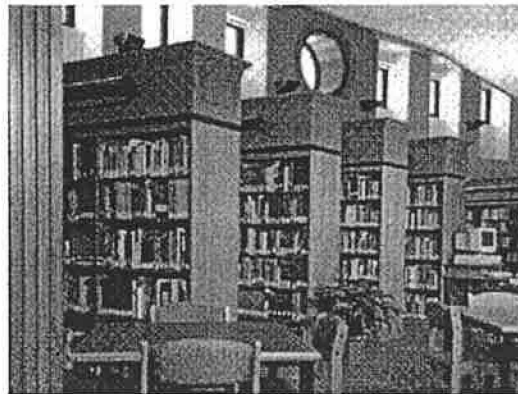


BOND REFERENDUM PROJECTS

CLIENT	BOND AMOUNT	YEAR
Mount Vernon City School District	\$60 Million	2016
Bay Shore Fire Department	\$10.5 Million	2016
Commack Public Library	\$8.3 Million	2015
Eastchester Union Free School District	\$26.9 Million	2015
West Islip Union Free School District	\$49.9 Million	2015
Port Chester-Rye Union Free School District	\$63 Million	2015
West Babylon Union Free School District	\$29.9 Million	2015
Lindenhurst Union Free School District	\$8.8 Million	2014
Manhasset Union Free School District	\$19.9 Million	2014
Massapequa Union Free School District	\$35.7 Million	2014
Plainview - Old Bethpage Central School District	\$49.8 Million	2014
Three Village Central School District	\$56.1 Million	2014
Babylon Union Free School District	\$26.6 Million	2013
Bellmore- Merrick CHSD	\$49.9 Million	2013
Riverhead Charter School	\$14.1 Million	2013
Port Washington Schools	\$6.98 Million	2012
Hendrick-Hudson School District	\$25 Million	2012
Pine Bush Central School District	\$15 Million	2012
Greenport Union Free School District	\$8.8 Million	2011
Central Islip Union Free School District	\$4 Million	2011
North Bellmore Union Free School District	\$8.8 Million	2010
Southampton Fire Department	\$5.9 Million	2009
Lawrence Union Free School District	\$21 Million	2009
City of Bridgeport	\$25 Million	2009
West Islip Union Free School District	\$22.7 Million	2008
Hauppauge Union Free School District	\$28.8 Million	2008
Croton-Harmon Union Free School District	\$6.88 Million	2008
Camel Central School District	\$3.5 Million	2008
West Sayville Fire District	\$5 Million	2007
Wantagh Union Free School District	\$14 Million	2007
Three Village Central School District	\$72.8 Million	2007
Three Village Central School District	\$7.5 Million	2007
Southampton Union Free School District	\$58.9 Million	2007

Sacred Heart Roman Catholic Church	\$6 Million	2007
Riverhead Fire District	\$14 Million	2007
Port Jefferson Union Free School District	\$5.6 Million	2007
North Bellmore Union Free School District	\$1.68 Million	2007
Farmingdale Union Free School District	\$26.9 Million	2007
Coplaque Union Free School District	\$11.2 Million	2007
Brentwood Union Free School District	\$100 Million	2007
Bohemia Fire District	\$2 Million	2007
Bethpage Union Free School District	\$3.2 Million	2007
Amityville Union Free School District	\$4.5 Million	2007
Port Chester-Rye Union Free School District	\$25.4 Million	2006
Medford Fire District	\$1.8 Million	2006
Huntington Union Free School District	\$3.65 Million	2006
South Country Central School District	\$65.8 Million	2005
Rockville Centre Union Free School District	\$15.1 Million	2005
North Bellmore Union Free School District	\$1.2 Million	2005
East Rockaway Central School District	\$18.7 Million	2005
Centerport Fire District	\$1.7 Million	2004
Oceanside Union Free School District	\$31 Million	2003
Northport – East Northport UFSD	\$6.1 Million	2003
Coplaque Union Free School District	\$9.8 Million	2003
Bethpage Union Free School District	\$29 Million	2003
Wantagh Union Free School District	\$15.4 Million	2002
Oyster Bay East Norwich Central School District	\$7 Million	2002
New Hyde Park – Garden City Park UFSD	\$24 Million	2002
Hicksville Union Free School District	\$33.9 Million	2002
Hauppauge Union Free School District	\$19.8 Million	2001
Sachem Central School District	\$228.6 Million	2000
Roslyn Union Free School District	\$25.5 Million	2000
Northport – East Northport UFSD	\$30.5 Million	2000
Herricks Union Free School District	\$24.3 Million	2000
Babylon Union Free School District	\$16.5 Million	2000
West Islip Union Free School District	\$52.9 Million	1999
Hewlett-Woodmere Union Free School District	\$37.9 Million	1999
Northport – East Northport UFSD	\$8 Million	1998
Jericho Union Free School District	\$25 Million	1998
Southold Union Free School District	\$14.7 Million	1997
Deer Park Union Free School District	\$23 million	1996
Three Village Central School District	\$8.2 Million	1995
Bayport – Blue Point Union Free School District	\$9.6 Million	1994

West Islip High School Library

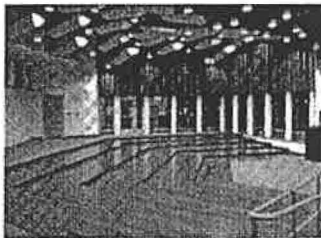


CAPITAL IMPROVEMENT PROJECTS

CLIENT	PROJECT COST	DESCRIPTION
Amityville UFSD	\$250,000	Site-work at the Administration Building
Babylon UFSD	\$212,000	Partial Roof Replacement

Babylon UFSD	\$240,000	Plaster Ceiling Replacement
Bayport – Blue Point UFSD	\$750,000	Classroom/ Administration Wing Improvements
Bayport – Blue Point UFSD	\$400,000	Elementary School Heating Plant
Bayport – Blue Point UFSD	\$1,400,000	Site-work and Heating Plant Replacement
Bellmore UFSD	\$110,000	Interior Alterations and Site-work
Brentwood UFSD	\$20,000,000	Energy Performance Contract
Central Islip Fire District	\$1,500,000	Addition to Substation Number 2
Central Islip Fire District	\$110,000	Roof Replacement at Station 2
Comsewogue UFSD	\$500,000	Roof Replacements at (3) Schools
Copiague UFSD	\$94,000	Site-work at (5) Schools
Deer Park UFSD	\$1,500,000	HS Auditorium Reconstruction & Fire Alarm Upgrades
Dowling College	\$4,500,000	Sports Facility/Synthetic Turf Fields
Eastern Suffolk B.O.C.E.S.	\$1,800,000	HVAC Upgrades
Eastern Suffolk B.O.C.E.S.	\$950,000	Brick Façade Replacement @ I.A.C.
Eastern Suffolk B.O.C.E.S.	\$400,000	Roof Replacement @ I.A.C.
Elwood UFSD	\$92,000	HVAC Upgrade
Farmingdale UFSD	\$3,900,000	District-wide Boiler Replacement
Farmingdale UFSD	\$2,600,000	Masonry Restoration and HVAC Upgrades
Farmingdale UFSD	\$1,000,000	Boiler Replacement at Albany Avenue School
Farmingdale UFSD	\$950,000	Roof Replacement
Farmingdale UFSD	\$3,100,000	Window Replacements
Greek Orthodox Church of Southampton	\$11,000,000	New Construction
Greenport UFSD	\$254,000	Masonry Restoration
Greenwich Public Schools	\$13,000,000	Site Work / Alterations
Hauppauge UFSD	\$3,200,000	District-wide Capital Improvement
Hauppauge UFSD	\$3,800,000	Multi-year District-wide Capital Improvement
Hicksville UFSD	\$1,250,000	Interior Alterations/ Masonry Restoration
Hicksville UFSD	\$850,000	Masonry Reconstruction at Middle School
Hicksville UFSD	\$200,000	Auditorium Reconstruction at Middle School
Hicksville UFSD	\$1,500,000	2-Classroom Addition at Woodland Elementary School
Hicksville UFSD	\$1,100,000	Interior Alterations at High School
Hicksville UFSD	\$650,000	Masonry Façade Reconstruction
Hicksville UFSD	\$1,200,000	Athletic Field Reconstruction; Synthetic Turf Field
Hicksville UFSD	\$3,100,000	Roof Reconstruction/Masonry/Interior Alterations
Huntington UFSD	\$750,000	Middle School Roof Replacement
Huntington UFSD	\$650,000	Middle School Window Replacement
Huntington UFSD	\$500,000	Tennis Court Refurbishment/Site-work/Fire Alarm Upgrades

Hauppauge MS Vocal Room



Babylon High School Library



Lawrence HS Turf Field



Jericho Public Library	\$100,000	Masonry Restoration
Jericho Public Library	\$200,000	Roof Replacement
Leeway School	\$9,800	Bicycle Path Construction
Lynbrook UFSD	\$1,700,000	Music Suite Addition
Middle Island Fire District	\$3,100,000	Addition/Alterations
Nassau County Firefighters Museum	\$1,300,000	Conversion of former aircraft hangar into exhibit space
Nassau University Medical Center (NUMC)	\$5,500,000	Capital Improvements
Nassau University Medical Center (NUMC)	\$1,200,000	Medical Library
Nassau University Medical Center (NUMC)	\$1,800,000	Intensive Care Units
Nassau University Medical Center (NUMC)	\$500,000	Anniversary Celebration

Project	Amount	Project Description
New Hyde Park-Garden City Park UFSD	\$260,000	District-wide Computer Network
New Hyde Park-Garden City Park UFSD	\$216,000	Masonry Restoration
North Bellmore UFSD	\$256,000	Masonry Restoration at Newbridge Road Elementary School
Northport – E. Northport UFSD	\$820,000	Elementary School Roof Replacement
Northport – E. Northport UFSD	\$625,000	Elementary School Roof Replacement
Northport – E. Northport UFSD	\$1,500,000	Track and Field Replacement
NYC Department of Parks & Recreation	\$1,500,000	Shea Stadium & Yankee Stadium
NYC School Construction Authority	\$6.1 Billion	Contingent Staffing Program
Oceanside UFSD	\$490,000	Tennis Court Refurbishment/HVAC/Electrical Systems Upgrades
Paramount Theatre	\$5,000,000	Reconstruction/Refurbishment/Alterations
Plainview-Old Bethpage Public Library	\$150,000	ADA Upgrades
Port Washington UFSD	\$750,000	Window Punch List Development for Claims Assistance
Rockville Centre Public Library	\$488,000	HVAC and Electrical Upgrades
Rockville Centre Public Library	\$213,000	Partial Roof Replacement
Roosevelt UFSD	\$1,100,000	Roofing, Masonry and HVAC Upgrades
Roslyn UFSD	\$440,000	Partial Roof Replacement at Roslyn Middle School
Roslyn UFSD	\$5,100,000	Roof Replacement and Auditorium Upgrade
Sachem CSD	\$1,400,000	Additions and Modular Classrooms
Sachem CSD	\$1,100,000	Wide Area Network for All (21) District Facilities
Sachem CSD	\$4,200,000	Interior Renovations, Additions, and Modular
Sachem CSD	\$2,800,000	(12) Classroom High School Addition
Sag Harbor UFSD	\$250,000	Partial Roof Replacement
Shoreham-Wading River CSD	\$850,000	Interior Alterations
Three Village CSD	\$7,500,000	Energy Performance Contract
Variety Boys' & Girls' Club	\$125,000	Roof Replacement /Alterations
Wantagh Public Library	\$1,200,000	Interior Alterations, HVAC Upgrades, ADA Upgrades
Wantagh UFSD	\$158,000	Roofing at (2) Elementary Schools
Wantagh UFSD	\$144,000	Roofing at (2) Elementary Schools
West Islip UFSD	\$1,200,000	Site-work at (3) Schools
West Islip UFSD	\$8,000,000	Energy Performance Contract
Western Suffolk B.O.C.E.S.	\$550,000	Roof Replacement

**Sachem Central School District
\$228.6 Million Bond Referendum**



Amityville	\$70 million	2015
Port Washington	\$70 million	2015
Shorham Wading River	\$48.5 million	2015
Copague	\$42.9 million	2015
Kings Park	\$41 million	2015
Bayport Bluepoint	\$30 million	2015
*West Babylon	\$30 million	2015
Deer Park	\$17 million	2015
Harborfields	\$11.6 million	2015
Middle Country	\$125 million	2014
Three Village	\$56 million	2014
*Plainview	\$50 million	2014
*Lindenhurst	\$8.8 million	2014
*Babylon	\$26.6 million	2013
Islip	\$47 million	2012
Hampton Bays	\$17 million	2012

Riverhead	\$78 million	2011
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Long Beach	\$93 million	2009
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*Brentwood	\$100 million	2007
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East Hampton	\$80 million	2007
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*Three Village	\$73 million	2007
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Connequot	\$18 million (After \$98 million in 2004)	2007
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Sayville	\$12 million	2007
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West Hampton Beach Library	\$7.8 million	2007
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East Hampton	\$79 million	2006
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CENTER FOR
Cost Effective
GOVERNMENT

228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

March 16, 2016

To: Letters to the Editor Newsday

Dear Editor:

Something alarming went under the radar regarding the passage of Amityville school district's \$69 million bond (March 10, "Voters Ok 69M for Bond") While it was reported that each household will pay an extra \$242 for each of the next 20 years for interest on this bond, it must be underscored that this amounts to an approximate 3.4% tax increase on a typical \$8,000 tax bill from this one item alone.

Worse yet, this significant tax hike is exempt from the parameters of the 2% property tax cap (actually under 1% this year). So, while voters approved the budget in May thinking they were within the tax cap, they then get clobbered with the bond that almost guarantees increases over the next 20 years in excess of the cap's intent.

There is no reason that interest on a bond should be exempt from the cap. We can't pretend our mortgage payments are exempt from our household budgets.

The state legislature failed us in not tying mandate relief to the cap. They failed us again by creating so many exemptions that the cap's impact is significantly diminished. It's time to end this bonded interest exemption.

Truly yours,
Thomas Eagan, Board Member
Center For Cost Effective Government

CENTER FOR
Cost Effective
GOVERNMENT

228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

May 21, 2015

Senator Ken LaValle
28 North Country Road Suite 203
Mount Sinai, NY 11766

Assemblyman Fred Thiele
2303 Main Street
Box 3062
Bridgehampton, NY 11932

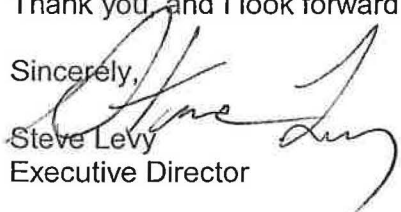
Dear Senator LaValle and Assemblyman Thiele,

We at the Center for Cost Effective Government are pleased to see that you have sponsored legislation that would require that any school bonding resolution would have to be submitted to the voters in May on the same day as the budget vote.

A number of taxpayer groups, including Long Islanders for Education Reform and Tax Pac, are joining our center in support of the bill's passage. Please let us know if there is anything our organizations can do, including the calling of specific legislators, to help get this important reform approved this session.

Thank you, and I look forward to hearing from you soon.

Sincerely,


Steve Levy
Executive Director

A02025 Summary:

BILL NO A02025A

SAME AS SAME AS UNI.

SPONSOR Thiele

COSPNSR

MLTSPNSR

Amd S2022, Ed L

Provides that a school district vote on a bond resolution shall take place on the third Tuesday in May in conjunction with the school budget vote; provides that such bond resolution vote may only be resubmitted to the voters of the school district one time subsequent to such vote.

A02025 Text:

S T A T E O F N E W Y O R K

S. 1871--A

A. 2025--A

2015-2016 Regular Sessions

S E N A T E - A S S E M B L Y

January 15, 2015

IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

IN ASSEMBLY -- Introduced by M. of A. THIELE -- read once and referred to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the education law, in relation to providing that a school bond resolution vote shall take place in conjunction with the school budget vote

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. The section heading and subdivision 1 of section 2022 of
- 2 the education law, as amended by section 7 of part A of chapter 97 of
- 3 the laws of 2011, are amended and a new subdivision 1-a is added to read
- 4 as follows:
- 5 Vote on school district budgets, ON BOND RESOLUTIONS and on the
- 6 election of school district trustees and board of education members. 1.
- 7 Notwithstanding any law, rule or regulation to the contrary, the
- 8 election of trustees or members of the board of education, [and] the
- 9 vote upon the appropriation of the necessary funds to meet the estimated
- 10 expenditures, AND THE VOTE UPON A BOND RESOLUTION, EXCEPT WHERE THE

11 BOARD SHALL BY UNANIMOUS VOTE DECLARE THAT AN EMERGENCY EXISTS AND THE
 12 COMMISSIONER DETERMINES THAT THE BEST INTERESTS OF THE DISTRICT REQUIRE
 13 THAT THE VOTE ON THE BOND RESOLUTION BE HELD ON A DIFFERENT DATE, in any
 14 common school district, union free school district, central school
 15 district or central high school district shall be held at the annual
 16 meeting and election on the third Tuesday in May, provided, however,
 17 that such election shall be held on the second Tuesday in May if the
 18 commissioner at the request of a local school board certifies no later
 19 than March first that such election would conflict with religious obser-
 20 vances. The sole trustee, board of trustees or board of education of
 21 every common, union free, central or central high school district and

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
 [] is old law to be omitted.

LBD07192-02-5

S. 1871--A

2

A. 2025--A

1 every city school district to which this article applies shall hold a
 2 budget hearing not less than seven nor more than fourteen days prior to
 3 the annual meeting and election or special district meeting at which a
 4 school budget vote will occur, and shall prepare and present to the
 5 voters at such budget hearing a proposed school district budget for the
 6 ensuing school year.

7 1-A. ANY BOND RESOLUTION VOTED UPON PURSUANT TO SUBDIVISION ONE OF
 8 THIS SECTION MAY ONLY BE RESUBMITTED TO THE VOTERS OF THE SCHOOL
 9 DISTRICT ONE TIME SUBSEQUENT TO SUCH VOTE.

10 S 2. The section heading and subdivision 1 of section 2022 of the
 11 education law, the section heading as amended by section 23 of part A of
 12 chapter 436 of the laws of 1997 and subdivision 1 as amended by section
 13 8 of part C of chapter 58 of the laws of 1998, are amended and a new
 14 subdivision 1-a is added to read as follows:

15 Vote on school district budgets, ON BOND RESOLUTIONS and on the
 16 election of school district trustees and board of education members. 1.
 17 Notwithstanding any law, rule or regulation to the contrary, the
 18 election of trustees or members of the board of education, [and] the
 19 vote upon the appropriation of the necessary funds to meet the estimated
 20 expenditures, AND THE VOTE UPON A BOND RESOLUTION, EXCEPT WHERE THE
 21 BOARD SHALL BY UNANIMOUS VOTE DECLARE THAT AN EMERGENCY EXISTS AND THE
 22 COMMISSIONER DETERMINES THAT THE BEST INTERESTS OF THE DISTRICT REQUIRE
 23 THAT THE VOTE ON THE BOND RESOLUTION BE HELD ON A DIFFERENT DATE, in any
 24 common school district, union free school district, central school
 25 district or central high school district shall be held at the annual
 26 meeting and election on the third Tuesday in May, provided, however,
 27 that such election shall be held on the second Tuesday in May if the
 28 commissioner at the request of a local school board certifies no later
 29 than March first that such election would conflict with religious obser-
 30 vances. When such election or vote is taken by recording the ayes and
 31 noes of the qualified voters attending, a majority of the qualified
 32 voters present and voting, by a hand or voice vote, may determine to
 33 take up the question of voting the necessary funds to meet the estimated
 34 expenditures for a specific item separately, and the qualified voters
 35 present and voting may increase the amount of any estimated expenditures
 36 or reduce the same, except for teachers' salaries, and the ordinary
 37 contingent expenses of the schools. The sole trustee, board of trustees
 38 or board of education of every common, union free, central or central
 39 high school district and every city school district to which this arti-
 40 cle applies shall hold a budget hearing not less than seven nor more
 41 than fourteen days prior to the annual meeting and election or special
 42 district meeting at which a school budget vote will occur, and shall
 43 prepare and present to the voters at such budget hearing a proposed
 44 school district budget for the ensuing school year.

45 1-A. ANY BOND RESOLUTION VOTED UPON PURSUANT TO SUBDIVISION ONE OF

46 THIS SECTION MAY ONLY BE RESUBMITTED TO THE VOTERS OF THE SCHOOL
47 DISTRICT ONE TIME SUBSEQUENT TO SUCH VOTE.
48 S 3. This act shall take effect on the first of January next succeed-
49 ing the date on which it shall have become a law; provided that the
50 amendments to section 2022 of the education law made by section one of
51 this act shall be subject to the expiration and reversion of such
52 section pursuant to section 13 of part A of chapter 97 of the laws of
53 2011, as amended, when upon such date the provisions of section two of
54 this act shall take effect.

I

A02025 Summary:

BILL NO A02025A

SAME AS SAME AS UNI.

SPONSOR Thiele

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MLTSPNSR

Amd S2022, Ed L

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2015-2016 Regular Sessions

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IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

IN ASSEMBLY -- Introduced by M. of A. THIELE -- read once and referred to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the education law, in relation to providing that a school bond resolution vote shall take place in conjunction with the school budget vote

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The section heading and subdivision 1 of section 2022 of
2 the education law, as amended by section 7 of part A of chapter 97 of
3 the laws of 2011, are amended and a new subdivision 1-a is added to read
4 as follows:

5 Vote on school district budgets, ON BOND RESOLUTIONS and on the
6 election of school district trustees and board of education members. 1.
7 Notwithstanding any law, rule or regulation to the contrary, the
8 election of trustees or members of the board of education, [and] the
9 vote upon the appropriation of the necessary funds to meet the estimated
10 expenditures, AND THE VOTE UPON A BOND RESOLUTION, EXCEPT WHERE THE

11 BOARD SHALL BY UNANIMOUS VOTE DECLARE THAT AN EMERGENCY EXISTS AND THE
 12 COMMISSIONER DETERMINES THAT THE BEST INTERESTS OF THE DISTRICT REQUIRE
 13 THAT THE VOTE ON THE BOND RESOLUTION BE HELD ON A DIFFERENT DATE, in any
 14 common school district, union free school district, central school
 15 district or central high school district shall be held at the annual
 16 meeting and election on the third Tuesday in May, provided, however,
 17 that such election shall be held on the second Tuesday in May if the
 18 commissioner at the request of a local school board certifies no later
 19 than March first that such election would conflict with religious obser-
 20 vances. The sole trustee, board of trustees or board of education of
 21 every common, union free, central or central high school district and

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
 [] is old law to be omitted.

LBD07192-02-5

S. 1871--A

2

A. 2025--A

1 every city school district to which this article applies shall hold a
 2 budget hearing not less than seven nor more than fourteen days prior to
 3 the annual meeting and election or special district meeting at which a
 4 school budget vote will occur, and shall prepare and present to the
 5 voters at such budget hearing a proposed school district budget for the
 6 ensuing school year.

7 1-A. ANY BOND RESOLUTION VOTED UPON PURSUANT TO SUBDIVISION ONE OF
 8 THIS SECTION MAY ONLY BE RESUBMITTED TO THE VOTERS OF THE SCHOOL
 9 DISTRICT ONE TIME SUBSEQUENT TO SUCH VOTE.

10 S 2. The section heading and subdivision 1 of section 2022 of the
 11 education law, the section heading as amended by section 23 of part A of
 12 chapter 436 of the laws of 1997 and subdivision 1 as amended by section
 13 8 of part C of chapter 58 of the laws of 1998, are amended and a new
 14 subdivision 1-a is added to read as follows:

15 Vote on school district budgets, ON BOND RESOLUTIONS and on the
 16 election of school district trustees and board of education members. 1.
 17 Notwithstanding any law, rule or regulation to the contrary, the
 18 election of trustees or members of the board of education, [and] the
 19 vote upon the appropriation of the necessary funds to meet the estimated
 20 expenditures, AND THE VOTE UPON A BOND RESOLUTION, EXCEPT WHERE THE
 21 BOARD SHALL BY UNANIMOUS VOTE DECLARE THAT AN EMERGENCY EXISTS AND THE
 22 COMMISSIONER DETERMINES THAT THE BEST INTERESTS OF THE DISTRICT REQUIRE
 23 THAT THE VOTE ON THE BOND RESOLUTION BE HELD ON A DIFFERENT DATE, in any
 24 common school district, union free school district, central school
 25 district or central high school district shall be held at the annual
 26 meeting and election on the third Tuesday in May, provided, however,
 27 that such election shall be held on the second Tuesday in May if the
 28 commissioner at the request of a local school board certifies no later
 29 than March first that such election would conflict with religious obser-
 30 vances. When such election or vote is taken by recording the ayes and
 31 noes of the qualified voters attending, a majority of the qualified
 32 voters present and voting, by a hand or voice vote, may determine to
 33 take up the question of voting the necessary funds to meet the estimated
 34 expenditures for a specific item separately, and the qualified voters
 35 present and voting may increase the amount of any estimated expenditures
 36 or reduce the same, except for teachers' salaries, and the ordinary
 37 contingent expenses of the schools. The sole trustee, board of trustees
 38 or board of education of every common, union free, central or central
 39 high school district and every city school district to which this arti-
 40 cle applies shall hold a budget hearing not less than seven nor more
 41 than fourteen days prior to the annual meeting and election or special
 42 district meeting at which a school budget vote will occur, and shall
 43 prepare and present to the voters at such budget hearing a proposed
 44 school district budget for the ensuing school year.

45 1-A. ANY BOND RESOLUTION VOTED UPON PURSUANT TO SUBDIVISION ONE OF

46 THIS SECTION MAY ONLY BE RESUBMITTED TO THE VOTERS OF THE SCHOOL
47 DISTRICT ONE TIME SUBSEQUENT TO SUCH VOTE.

48 S 3. This act shall take effect on the first of January next succeed-
49 ing the date on which it shall have become a law; provided that the
50 amendments to section 2022 of the education law made by section one of
51 this act shall be subject to the expiration and reversion of such
52 section pursuant to section 13 of part A of chapter 97 of the laws of
53 2011, as amended, when upon such date the provisions of section two of
54 this act shall take effect.

Citizens for School Management

Port Washington, NY

All information publicly available at citizensforschoolmanagement.weebly.com as of 2:48PM EST, Monday December 21, 2015.

A) Introduction: School Bond: Hysteria, Truth, and Sense

For eighteen years I have managed, supervised, and inspected school construction. In one NYC assignment my task was to shift maintenance and repair expenses into the capital budget so they would qualify for state funding. Recently, to project 5 year school maintenance and capital expense needs, I led a team assessing over 140 NYC school buildings. In Port Washington our school district is proposing a \$69 million facility and spatial needs bond. I have attended every bond presentation, and have reviewed the proposed work. With the possible exception of new science class rooms, every photo shown depicts repairs which are required to be funded from yearly annual operating budgets. I doubt about this bond?

The NY state education department requires school bonds to be capital improvements. Substantial amounts of the proposed bond are repair work. Maintained functional facilities have been deemed outmoded. Questionable enrollment increases have been presented. The addition of space and a failing infrastructure are being cited as requiring a bond. Yet, the board president, and board chair of facilities have publicly stated a bond is necessary because future revenues will be insufficient to meet needs. The board in its planning met with various departments, principals, and the parent organizations of every building. Unsurprisingly, no one wanted to be left out. The supposed needs have now swelled to over \$ 70 million dollars.

Last spring at a meeting the director of school facilities presented the total projected maintenance (including repairs) cost for the next five years as being \$13 million dollars! It is impossible that school facilities, within less than one year could have deteriorated to the point of needing the \$30 million dollars of repairs being requested in the proposed bond. To sell the bond parents at BOE meetings have further been infected with the hysteria of a failing infrastructure. Facilities in reality have been maintained. The community may rest assured that the building infrastructure is not at or remotely near collapsing.

I call into question the practice of engaging one architect to estimate the cost of work upon which the same architect, without competition, will obtain his substantial fee. Further, per school education law, it is not permitted to enter into any arrangement, verbal or written, guaranteeing the award of a substantial contract on a bond that has yet to be approved. That architect's preliminary work is being done gratis makes no difference. Such an arrangement is suspect, and in my opinion, will result in a bond estimate higher in the tens of millions of dollars.

X

Major cost savings and alternatives are being discarded. It is the essence of good planning, for projects that will take years to complete, that needs be verified, prioritized, and accordingly over time be staged. This would recognize that all the work can not be done at once, take into account changing conditions, permit needs with accuracy to be met, and not subject the community, all at once to one huge questionable cost.

Further, a recovered stock market has yielded high returns to the pension fund. An additional \$2 million dollars is now available to the school budget. The high returns are expected to continue in the succeeding year or years. This allows repairs and improvements to be made from annual budgets thereby further reducing the need for a bond. I urge the community, until sense might prevail, to reject this bond as ill-conceived, misrepresented, and grossly wasteful.

Jim Ansel

President, Citizens for School Management

B) Mission Statement

To Advocate For Efficient School Management In Port Washington, NY. To Promote Educationally Sound and Cost Effective Policies.

C) Citizens for School Management: Port Washington School Bond Deception

Summary: District Misleads the Community Regarding Infrastructure, Enrollment, Safety, and Violates Procurement Policy

Cost: The BOE has put out that the \$70 million bond will cost the average household \$106 for seven years. Do the math! The cost with interest, will be closer to \$400 for 20 years, \$8,000 per household... totaling over \$106,000,000???

Infrastructure: Last spring the future 5 year projection for maintenance and repairs by the facilities director was stated at \$13 million dollars. In the fall the BOE presents that the infrastructure has exceeded its life and that a maintenance and repair bond of \$70million dollars plus approximately \$40 million dollars of interest are required???

The BOE projects increased enrollment*, and presents that the facilities infrastructure has exceeded its life requiring a \$70 million dollar bond, with interest totaling over \$106 million dollars. Yet, last spring the 5 year projection for maintenance and repairs made by the facilities director totaled only \$13 million dollars???

Enrollment: Census projections for Nassau County by 2024 are for children under 10 to decline by 9 %, and ages 10-19 to decline by 11%. Yet to bypass the tax cap the BOE will illegally use a bond for repairs, and wasteful expansion??? The BOE thru a hired consultant projects net enrollment increases necessitating expansions???

Safety: Nassau County is one of the safest counties in the nation. Port Washington is one of the safest districts in Nassau. The BOE states that our modular buildings are unsafe because the students must go outside to enter other buildings and therefore the modular must be torn down and replaced with costly additions to the main buildings???

Procurement Policy: The BOE has selected an Architect, at no cost (?), to plan, estimate, and present plans while stating that the architect will be paid after a bond is passed. A quid pro quo guaranteeing the above is illegal. The BOE has failed to issue a Request for Proposal which would permit other architects to make competing proposals but rather is relying on an RFP dated ten years earlier by the same architect for a different project. This is allowing one sole source to put forth a cost upon which a percentage fee of millions of dollars will be due???

Effect: From the moment a \$70 million dollar bond is passed, the average household in Port Washington will for the next twenty years be indebted \$8,000 prior to financing their child's college education, improving their home, or making a car purchase. This indebtedness would be for work done 5 years into future of no benefit. The debt further is not necessary???

You can't have great schools by overpaying \$40 million dollars!

On March 10 at the Weber Multi-Purpose Room, VOTE NO!

D) School Bond: Severe Irregularities

My livelihood for 48 years has been construction inspection, supervision, and management. Eighteen of those years have been in school construction. On one assignment I led a team comprised of a mechanical engineer, electrical engineer, and an architect. I assessed the conditions of school buildings

for the purpose of projecting future maintenance and capital expenditures; I assessed over 140 NYC school buildings. In the private sector I have worked for contractors engaged in school construction.

I am the person with a colleague who after on-site inspection estimated the original cost of the recent \$7.9 million Port Washington schools roofing bond to be \$3 million less. Subsequently the work bid price came in at \$4.5 million. For this new \$ 70 million proposed bond I have reviewed the layout drawings and estimate. The roofing bond architect's estimate significantly exceeded the actual cost of the work. I am of the opinion that upon examination by independent qualified others the proposed \$70 million bond work will cost substantially less.

I am distressed by the 'buildings are falling apart' hysteria being put out by the PWSD. I am particularly appalled that the district is violating its own codified purchasing procurement policies. At portnnett.k12.ny.us under the Board of Education you will find Purchasing Policy. Sect.6700 – (E-1), Purchasing Policy; Procurement Policy; wherein the requirement of a Request for Proposal (RFP) for Specialized Services is stated and nevertheless is being breeched. An RFP is required to be advertised to allow competitive proposals for the Architectural service rather than proceeding to award contracts based on the estimates of a sole source.

You cannot have one sole service provider furnish an estimate and presentation at no cost with an understanding that he will later be paid after a bond has passed. An RFP from ten years back for an entirely different project, done by the same Architect, is insufficient. Sect.6700 Exceptions do not apply because Architects do not provide a unique service. Section 6700 instructs the district to "obtain optimal value for the expenditure of school district funds". How can that be when competition is being excluded?

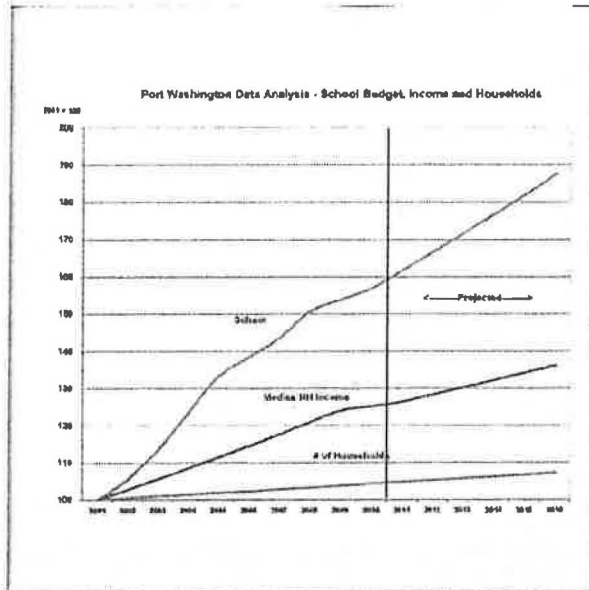
The rules are not being followed! What we have here is very bad judgment. A bond estimate obtained in this sloppy manner is open to being higher by tens of millions of dollars. The awarding of Architectural work amounting to millions of dollars without an RFP is improper, and under the applicable Sect.610 of the NY State Education Law that an appeal to the State Education Commissioner should be filed.

Further the inclusion to bonding of maintenance work and minor capital projects are prohibited; funding for such expenditures must properly come from yearly operating budgets rather than bond monies. Additional questions are the propriety of labeling adequate functional toilets and class rooms as unusable, the replacement of functioning modular structures for security concerns, and the inclusion of a long schedule of wish list items. Critically I question the district's enrollment projections as contradicted by the age group census data for Nassau County. The glaring irregularity is the subterfuge to circumvent our state's 2% tax-levy cap and stick the community with added expenses for the next 20 years.

X

Income Vs. School Budget Projections=Nonsustainability

Continued Board of Education Mismangement is Unsustainable



E) School Bond: Hysteria, Truth, and Sense

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The NY state education department requires school bonds to be capital improvements. Substantial amounts of the proposed bond are repair work. Maintained functional facilities have been deemed outmoded. Questionable enrollment increases have been presented. The addition of space and a failing infrastructure are being cited as requiring a bond. Yet, the board president, and board chair of facilities have publicly stated a bond is necessary because future revenues will be insufficient to meet needs. The board in its planning met with various departments, principals, and the parent organizations of every building. Unsurprisingly, no one wanted to be left out. The supposed needs have now swelled to over \$ 69 million dollars.

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Major cost savings and alternatives are being discarded. It is the essence of good planning, for projects that will take years to complete, that needs be verified, prioritized, and accordingly over time be staged. This would recognize that all the work cannot be done at once, take into account changing conditions, permit needs with accuracy to be met, and not subject the community, all at once to one huge questionable cost.

Further, a recovered stock market has yielded high returns to the pension fund. An additional \$2 million dollars is now available to the school budget. The high returns are expected to continue in the succeeding year or years. This allows repairs and improvements to be made from annual budgets thereby further reducing the need for a bond. I urge the community, until sense might prevail, to reject this bond as ill-conceived, misrepresented, and grossly wasteful.

F) Newsday: Maragos Population Trends, November 19, 2014

By Robert Brodsky

Nassau must address "alarming" trends showing the county's population will decline by 3 percent over the next decade, with fewer children and young adults but a rapidly growing number of seniors, according to a report by Comptroller George Maragos. The study, released Tuesday, proposes a vision for Nassau as the "Health Care and Medical Research Capital of the World." Maragos calls for building the county's economy around its top hospitals and universities, which would be connected by light rail, allowing Nassau to become a destination for medical treatment and cutting-edge cures for diseases from cancer to Ebola.

The report, which is based on census data, shows the county's population was stagnant from 2000-2013, growing at a rate of 1.3 percent -- below Suffolk, Queens, New York State and the national average. Maragos projected that by 2024, residents 60-and-over will comprise 27 percent of the county's total population, compared with 22 percent in 2012. The percentage of residents ages 10-19 will drop by 11 percent and the number of children under the age of 10 will decline by 9 percent, the report found.

In total, Nassau's population will decline 3 percent, leading to fewer taxpayers, less revenue and lower home values, Maragos said.

"These are disturbing trends," he said. "Young adults are going away to college and are never returning."

G) Mismanagement

Immediate Mismanagement:

- The proposal of a bond to circumvent the tax levy cap.
- Engaging an architect based on an RFI from ten years past for a different project.
- Engaging the services of the same architect at no cost with an illegal understanding that he will be awarded a multi-million dollar contract after a \$70 million dollar bond is passed, and thereby be reimbursed.
- Promoting a hysteria that the school infrastructure is on the verge of collapse as a means to promote a bond.
- Presenting questionable future increased enrollments to expand and obtain wish list capital expenditure.
- Exaggerating immediate maintenance and repair needs to promote the \$70 million dollar school bond.
- The median annual salary for Port Washington teachers has now exceeded \$116,000 dollars plus an additional \$40,000 dollars for retirement and health benefits.

Past and Continued Mismanagement:

- Salary and benefit giveaway contracts far exceeding market requirements.
- The provision of 20 sick leave days per school year adding an extra annual cost exceeding \$1.5 million dollars for substitute teachers.
- Uniquely utilizing a six day modified HS schedule (in contrast to all other surrounding high achieving schools) thereby adding another cost in excess of \$1.5 million dollar per year..

- Bilking the taxpayers continuously over a fifteen year period by padding annual budgets approximately \$2 Million dollars per year
- Engaging a number of guidance counselors/per pupil exceeding county and region averages by 30 percent.
- Engaging paraprofessionals far in excess of county and region averages.
- Providing life time health benefits to paraprofessionals after five years of employment.
- Providing an excess of unneeded elective courses.
- Allowing numerous HS classes (excepting special needs) under 20 students.

H) Donations

To Support Our Mission Please Make Donations Out To:

Citizens for School Management

PO Box 1181

Port Washington, NY 11050

Thank You

RETURNING SURPLUSES TO TAXPAYERS.

This past summer, our executive director participated in a meeting with New York State Comptroller Thomas DiNapoli's regional representatives, along with Laureen Harris, the attorney representing the Association for a Better Long Island (ABLI), to discuss the comptroller's report that has been critical of various Long Island school districts that have improperly kept excessive limits of budget reserves. The plaintiffs maintain that these practices force taxes to be kept at artificially high levels.

A number of the ABLI board members were also in attendance. Our Center has been assisting Ms. Harris in her quest to force these districts to return these excessive reserves to the public in the form of tax relief.

Check out the attached Long Island Business News article from Ms. Harris referencing the case that our Center is working on with the ABLI.

The state Comptroller has issued audits of many Long Island school districts that are improperly budgeting in order to create reserve levels exceeding legal limits. It is our view that this money should be returned to the public. We advised all of our members to check with their local district to ensure that they are not over-taxing them in order to maintain reserves that exceed legal parameters.

The plaintiffs in these suits are always looking for more anecdotal evidence of these improper practices. If any of our members had such examples, we asked them to respond to us so we could forward such information to the attorneys bringing this suit.

We thanked the Comptroller for exposing some of these improper overages through his audits. We expressed our belief that there was a need for tougher laws with teeth to deter schools from improperly keeping too much of our taxpayer dollars in reserve funds, as opposed to returning the surplus monies to the public.

Mitch Pally, who sits on the MTA board, suggested that we seek legislation for schools that would mirror laws already on the books that pertains to the MTA. The bill would require that where the school district is shown to have improperly kept reserve levels above the statutory limit, the Comptroller could withhold a like amount of state aid to that district, and instead return it directly to the taxpayer.

LI school districts 'hiding' millions, budget system needs reform



**Lauren
Harris**

The New York State Comptroller has been telling Long Island taxpayers for a long time now that we are being ripped off every May when we vote for our school budgets. The Comptroller's audits have uncovered a systematic and systemic practice of school budgets hiding millions of dollars in 'overestimated expenditures' in their proverbial mattress.

Make no mistake, this is illegal. The law requires that these cached funds are supposed to be returned to the taxpayers. Instead they are hiding it. Long Island school districts are consistently piling up millions of dollars in surplus funds in direct violation of state law and they need to be held accountable by the state's Attorney General. School board members who approve this kind of deceptive practice should be held liable to civil penalties if they continue to rip off the taxpayer.

The latest report by state Comptroller Thomas DiNapoli finds the practice continues to be widespread. Franklin Square and Malverne are the latest to stash away taxpayer money far in excess of allowable limits, which is legally capped at 4 percent of their respective annual budgets.

A previous DiNapoli audit released this year also found deceptive "reserves" on the books of Floral Park-Bellerose Union Free,

New Hyde Park- Garden City Union Free, North Bellmore Union Free, Plainview-Old Bethpage, East Meadow and Roosevelt. Within these six districts alone there are \$100 million dollars in illegal funds which should have never been extracted from school district property owners.

How do they do it? These Long Island School districts intentionally and deceptively "overestimate" i.e. misinform and bury millions in unsuspecting categories like workman's compensation and teacher's retirement funds and yet we just continue to vote "yes." The Comptroller's recent audit of Roosevelt showed \$12.6 million in surplus funds with a budget line that purports to be holding millions in a "building fund" although the district readily admits they had no plans to build in the immediate or distant future.

Amazingly, these school districts are not only uniformly unapologetic when faced with the Comptrollers audits but they go back next year and do it again. A 2016 Comptroller's audit found East Meadow Union Free School District illegally maintained \$38 million in cash instead of reducing their tax levy and returning it to the taxpayers. In response to DiNapoli's findings the superintendent unapologetically referred to it as a "rainy day fund." But here is the kicker: East Meadow added to its coffers this past May and successfully convinced the taxpayers to vote in another increase.

School Districts' claim that they secretly take our money because of the strain of 2 percent cap. Has it come to this: educators telling

us that stealing is a good way to circumvent the law?

This practice has more profound effects in cash strapped Nassau County because the Nassau taxpayer gets hit twice. We overpay for an artificially bloated school budget and pay again when Nassau County has to pick up the tab for the school districts in tax certiorari judgments.

Something has to be done now. We need these school districts to come clean.

A formal complaint to the Commissioner of Education has been filed on behalf of several taxpayers, but we need an effective mechanism in place to confront and prevent this systematic looting of the taxpayer's wallet. School districts are rampantly ignoring their obligation to reduce our tax rates and give the taxpayers their money back. We need to make them comply.

This persistent practice distorts our region's cost of living, creates havoc for municipalities who are loath to raise taxes for essential services, and serves to undermine trust in our educational system. When Long Island homeowners ask why their property taxes are so high they need to understand that their school districts' budgets are a fiction. Now that we've identified the problem, it is up to the taxpayer to be outraged and consequences enacted that end this illegal practice.

Harris, a member of the law firm Cronin, Cronin, Harris & O'Brien, is the current president of the Association for a Better Long Island (ABLI) and past chair and vice chair of the Nassau County Tax Certiorari & Condemnation Committee.

CENTER FOR
Cost Effective
GOVERNMENT

228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

Center for Cost Effective Government
July 5, 2016
Dear {First Name},

A few weeks ago, I, along with a number of taxpayer advocates met with attorneys for the Association for a Better Long Island (ABLI) to assist in their lawsuit against schools that have allegedly established improper reserve levels with the possible intent of circumventing the 2% property tax cap.

The lead attorney for the ABLI, Laureen Harris, maintained in the submitted papers that the East Meadow School District overestimated expenditures and underestimated revenues, resulting in surplus amounts that exceeded the 4% surplus levels that a school district is allowed to maintain under state law. They have called upon the court to order the school district to return that surplus to the taxpayers.

Our Center for cost Effective Government, along with other groups such as Reclaim New York, Suffolk Tax Pac, Long Islanders for Education Reform, and Americans for Legal Reform are analyzing whether these inaccurate estimates are a deliberate attempt by some districts to circumvent the property tax cap.

We already know that there are a number of exemptions to the 2% cap. For instance, debt service paid on a bond or costs related to pensions are specifically exempted by the state law from being calculated into the cap formula. Consequently, a district can claim that they are within the 2% cap parameters, and yet, increase taxes far beyond the 2% amount. Our Center has already exposed how many districts are floating bonds of fifty, seventy, or even \$100 million for various projects, the debt service of which will be exempt from the cap.

For instance, Amityville's \$70 million bond passed this year will lead to approximately a \$250 increase per household, all of which is outside the scope of the 2% increase allowed by the cap laws. That \$250 alone amounts to a 3.4% increase to taxpayers.

We are continuing to analyze and discuss this scenario amongst our groups and with the plaintiffs in this case. While it is important to have any improperly kept reserves returned to the public, it is equally important to educate the public as to the impact these practices are having on their tax bills, and their perception on the 2% cap. If in fact the district says they are within the 2% cap, but your actual taxes went up by 4.5%, shouldn't the public be aware of this? We will keep you informed.

Sincerely,

Sincerely,

Center for Cost Effective Government, 228 Barrett Avenue, Bayport, NY 11705

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Steve Levy

President

Common Sense Strategies

228 Barrett Avenue, Bayport, NY 11705

631 877 0940

CENTER FOR
Cost Effective
GOVERNMENT

228 Barrett Avenue
Bayport, NY 11705

November 17, 2016

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

Governor Andrew Cuomo
Albany NY

Dear Governor Cuomo:

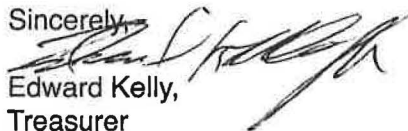
We at the Center for Cost Effective Government implore you to sign Senate Bill no. S5795 which would require that school districts post the amount of their escrow reserves prior to the May budget votes by the public.

The New York State Comptroller has issued audits showing that over a dozen school districts on Long Island have been budgeting escrows in excess of what is permitted by law. Taxpayers have been discovering this problem only after the budget has passed with little recourse. This has resulted in the Association for a Better Long Island initiating litigation against a Long Island district to compel the return of these improper over-charges to the taxpayer.

The bill will require that surplus line items be posted electronically by the end of the third-quarter of the school year. This will provide taxpayers with notice, before the budget is voted upon, if a problem exists. We see no downside to signing this bill that can be a useful tool ensuring that our escrow laws are enforced and taxpayers no longer overpay on the yearly budget.

Thank you for your consideration.

Sincerely,


Edward Kelly,
Treasurer

CENTER FOR
Cost Effective
GOVERNMENT

228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

October 11, 2016

Senator Phil Boyle
69 W Main Street
Bay Shore, NY 11706

Dear Senator Boyle:

Subject: School Escrow Legislation

The undersigned are writing on behalf of numerous taxpayer advocacy groups seeking to enlist your support in drafting legislation that could help us prevent school districts from illegally holding escrows in excess of statutory limits.

Hundreds of millions of taxpayer dollars Island-wide are being improperly held by districts in accounts that exceed the 4% escrow limit. This is money that can and should be used to lessen the burden on our beleaguered taxpayers. (A list of various districts exposed by the Comptroller's audits are attached herewith.)

The Center for Cost Effective Government recently joined attorney Lauren Harris and other taxpayer advocates in meeting with representatives of the state Comptroller's office to discuss the lawsuit Ms. Harris is bringing on behalf of the Association for a Better Long Island. The suit tackles the improper accumulation of excessive school reserve funds and its impact on increasing our taxes.

We thanked the Comptroller for exposing some of these improper overages through his audits. We expressed our belief that there was a need for tougher laws with teeth to deter schools from improperly keeping too much of our taxpayer dollars in reserve funds, as opposed to returning the surplus monies to the public.

Mitch Pally, who sits on the MTA board, suggested that we seek legislation for schools that would mirror laws already on the books that pertains to the MTA. The bill would require that where the school district is shown to have improperly kept reserve levels above the statutory limit, the Comptroller could withhold a like amount of state aid to that district and instead return it directly to the taxpayer.

When confronted by the advocates as to why the districts are so blatantly ignoring the escrow laws, the response from many have been downright arrogant. They feel they can be so dismissive because they know, and have seen, that there are no negative consequences to their improper actions.

The audit may expose the irregularity, but there are no teeth for the Comptroller to demand the money be returned. It should not take expensive lawsuits by citizen plaintiffs to force the return

of this money on a district by direct basis. If those crafting the budget know that their improper actions will result in state aid being intercepted and returned directly to the people, rather than the district fund, they will be incentivized to follow the law.

We, therefore, respectfully request that you ask your staff to craft legislation to mirror the MTA policy of authorizing the Comptroller to intercept funds equal to the amount improperly escrowed. Please let us know if we can count on your support.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Levy". The signature is fluid and cursive, with a large initial "S" and "L".

Steve Levy
Executive Director
Center for Cost Effective Government

A handwritten signature in black ink, appearing to read "Mitchell Pally". The signature is cursive and somewhat stylized, with a large initial "M".

Mitchell Pally
Chief Executive Officer
Long Island Builders Institute

Enclosure

Long Island School Audits 2015 - 2016 (as of 8/26/16)
Schools with Excess Fund Balance Findings

School	Title	Report #	Released	County	Excess FB?	Details
Plainview-Old Bethpage School District	Financial Condition	2015M-89	7/31/2015	Nassau	Yes	Overestimated expenditures; recalculated FB ranged from 5.8%-7.05% of budget; Retirement contribution reserve (\$11.9 million as of 6/30/14) would cover costs for 4 years, does not use reserve.
East Meadow Union Free School District	Financial Condition	2015M-332	2/26/2016	Nassau	Yes	Overestimated expenditures; recalculated FB ranged from 11.28%-12.57% of budget. Workers' compensation reserve (\$2.8 M as of 6/30/15) would cover costs for 6 years. Unemployment insurance reserve (\$1.3 M as of 6/30/15) would cover costs for 24 years.
Franklin Square School District	Fund Balance	2016M-129	7/8/2016	Nassau	Yes	Overestimated expenditures; recalculated FB ranged from 19.5%-19.65% of budget.
Levittown School District	Reserve Funds and Extra-Classroom Activity Fund	2016M-174	7/22/2016	Nassau	Yes	Unemployment insurance reserve (\$2.9 million as of 6/30/15) would cover costs for 27 years, does not use reserve. EBALR balance of \$6 M (6/30/15) is excess; District has no EBALR liabilities.
Malverne School District	Fund Balance	2016M-120	7/8/2016	Nassau	Yes	Overestimated expenditures; recalculated FB ranged from 6%-7.9% of budget. Unemployment insurance reserve (\$882 K as of 6/30/15) would cover costs for 28 years.
Commack Union Free School District	Financial Condition and Fuel Inventory	2015M-90	7/31/2015	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 5.9%-8% of budget.
Connetquot Central School District	Financial Condition	2015M-98	8/14/2015	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 5%-11% of budget.

Rocky Point School District	Financial Condition	2015M-170	11/13/2015	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 5.4%-7.8% of budget. Retirement contribution reserve (\$8.8 M as of 6/30/14) would cover costs for 11 years. Unemployment insurance reserve (\$614K as of 6/30/14) would cover costs for 9 years.
Sayville School District	Financial Condition and Cellular Telephones	2015M-86	8/14/2015	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 6.73%-13.99% of budget.
Babylon Union Free School District	Financial Condition	2015M-323	3/4/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 7.82%-9.04% of budget. Workers' compensation reserve (\$785K million as of 6/30/15) would cover costs for 7 years.
East Islip School District	Financial Condition	2015M-283	1/29/2016	Suffolk	Yes	Unemployment insurance reserve is overfunded \$140K according to District's basis for funding as of 6/30/15.
Huntington School District	Financial Condition	2015M-356	3/4/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 5.7%-5.9% of budget.
Middle Country School District	Financial Management	2016M-121	6/24/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 5.6%-5.7% of budget.
Montauk School District	Financial Condition	2016M-168	7/22/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 9%-11% of budget. Workers' compensation reserve (\$332K as of 6/30/15) would cover costs for 35 years.
North Babylon School District	Financial Condition	2016M-32	6/3/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 9.65%-12.34% of budget. Workers' compensation reserve (\$3.9 M as of 6/30/15) would cover costs for 6 years. Unemployment insurance reserve (\$823K as of 6/30/15) would cover costs for 15 years.
South Huntington Union Free School District	Financial Condition	2016M-132	7/22/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 8.1%-8.8% of budget. \$3 M in funds designated for OPEB (as of 6/30/15), but expenditures paid from GF moneys. Workers' compensation reserve overfunded by \$1.4 M (as of 6/30/15).

Long Island School Audits 2015 - 2016 (as of 8/26/16)

School	Title	Report #	Released	County	Excess	
					FB?	Details
Bay Shore Union Free School District	Financial Condition and Audit of Claims	2015M-57	7/3/2015	Suffolk	No	
Bayport-Blue Point Union Free School District	Leave Accruals	2015M-202	10/2/2015	Suffolk	No	
Bethpage Union Free School District	Leave Accruals	2015M-100	7/31/2015	Nassau	No	
Brookhaven-Comsewogue School District	Professional Services	2015M-267	12/11/2015	Suffolk	No	
Commack Union Free School District	Financial Condition and Fuel Inventory	2015M-90	7/31/2015	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 5.9%-8% of budget.
Connetquot Central School District	Financial Condition	2015M-98	8/14/2015	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 5%-11% of budget.
Copiague Union Free School District	Check Signing	2015M-181	10/9/2015	Suffolk	No	
Eastport-South Manor Central School District	Financial Software User Access	2014M-379	3/20/2015	Suffolk	No	
Fire Island Union Free School District	Leave Accruals	2015M-289	12/18/2015	Suffolk	No	
Herricks School District	Fuel Card Purchases	2014M-321	1/16/2015	Nassau	No	
Kings Park School District	Fuel Inventory	2015M-282	12/24/2015	Suffolk	No	
Little Flower School District	Tuition	2015M-233	11/20/2015	Suffolk	No	
Plainview-Old Bethpage School District	Financial Condition	2015M-89	7/31/2015	Nassau	Yes	Overestimated expenditures; recalculated FB ranged from 5.8%-7.05% of budget. Retirement contribution reserve (\$11.9 million as of 6/30/14) would cover costs for 4 years, does not use reserve.
Rocky Point School District	Financial Condition	2015M-170	11/13/2015	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 5.4%-7.8% of budget. Retirement contribution reserve (\$8.8 M as of 6/30/14) would cover costs for 11 years. Unemployment insurance reserve (\$614K as of 6/30/14) would cover costs for 9 years.
Roosevelt School District	Competitive Procurement	2015M-234	12/18/2015	Nassau	No	
Sayville School District	Financial Condition and Cellular Telephones	2015M-86	8/14/2015	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 6.7%-13.99% of budget.
Tuckahoe Common School District	Financial Condition and IT	2015M-152	10/16/2015	Suffolk	No	
Westhampton Beach School District	Claims Processing	2015M-242	11/27/2015	Suffolk	No	
Amityville Union Free School District	Payroll	2016M-155	7/22/2016	Suffolk	No	
Babylon Union Free School District	Financial Condition	2015M-323	3/4/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 7.82%-9.04% of budget. Workers' compensation reserve (\$785K million as of 6/30/15) would cover costs for 7 years.
Carle Place School District	Payroll	2016M-69	6/3/2016	Nassau	No	

Deer Park Union Free School District	Bank Reconciliations	2016M-166	7/15/2016	Suffolk	No	Unemployment insurance reserve is overfunded \$140K according to District's basis for funding as of 6/30/15. Overestimated expenditures; recalculated FB ranged from 11.28%-12.57% of budget. Workers' compensation reserve (\$2.8 M as of 6/30/15) would cover costs for 6 years. Unemployment insurance reserve (\$1.3 M as of 6/30/15) would cover costs for 24 years.
East Islip School District	Financial Condition	2015M-283	1/29/2016	Suffolk	Yes	
East Meadow Union Free School District	Financial Condition	2015M-332	2/26/2016	Nassau	Yes	
East Rockaway School District	Purchasing	2015M-253	1/15/2016	Nassau	No	Overestimated expenditures; recalculated FB ranged from 19.5%-19.65% of budget.
East Williston School District	Extra-Classroom Activities	2016M-103	6/17/2016	Nassau	No	
Fishers Island Union Free School District	Five Point Plan	2015M-320	4/1/2016	Suffolk	No	
Franklin Square School District	Fund Balance	2016M-129	7/8/2016	Nassau	Yes	Overestimated expenditures; recalculated FB ranged from 5.7%-5.9% of budget.
Great Neck School District	Fuel	2016M-082	7/1/2016	Nassau	No	
Half Hollow Hills School District	Procurement	2016M-239	8/19/2016	Suffolk	No	
Harborfields School District	Claims Processing	2016M-038	5/27/2016	Suffolk	No	Unemployment insurance reserve (\$2.9 million as of 6/30/15) would cover costs for 27 years, does not use reserve. EBALR balance of \$6 M (6/30/15) is excess; District has no EBALR liabilities.
Hauppauge School District	Overtime	2016M-70	6/17/2016	Suffolk	No	
Hicksville School District	Purchasing	2016M-034	4/15/2016	Nassau	No	
Huntington School District	Financial Condition	2015M-356	3/4/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 6%-7.9% of budget. Unemployment insurance reserve (\$882 K as of 6/30/15) would cover costs for 28 years.
Lawrence School District	Financial Condition	2016M-52	6/3/2016	Nassau	No	
Levittown School District	Reserve Funds and Extra-Classroom Activity Fund	2016M-174	7/22/2016	Nassau	Yes	
Lindenhurst School District	Credit Cards	2016M-179	7/29/2016	Suffolk	No	Overestimated expenditures; recalculated FB ranged from 5.6%-5.7% of budget.
Locust Valley School District	Competitive Quotes	2016M-131	7/8/2016	Nassau	No	
Long Beach School District	Controls Over Cash Receipts	2016M-145	8/5/2016	Nassau	No	
Longwood School District	Purchasing	2016M-016	4/1/2016	Suffolk	No	Overestimated expenditures; recalculated FB ranged from 5.6%-5.7% of budget.
Lynbrook School District	Special Programs	2016M-45	8/5/2016	Nassau	No	
Malverne School District	Fund Balance	2016M-120	7/8/2016	Nassau	Yes	
Manhasset School District	Separation Payments	2016M-150	7/22/2016	Nassau	No	Overestimated expenditures; recalculated FB ranged from 5.6%-5.7% of budget.
Middle Country School District	Financial Management	2016M-121	6/24/2016	Suffolk	Yes	
Mineola School District	Competitive Quotations	2015M-313	2/12/2016	Nassau	No	

Montauk School District	Financial Condition	2016M-168	7/22/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 9%-11% of budget. Workers' compensation reserve (\$332K as of 6/30/15) would cover costs for 35 years.
North Babylon School District	Financial Condition	2016M-32	6/3/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 9.65%-12.34% of budget. Workers' compensation reserve (\$3.9 M as of 6/30/15) would cover costs for 6 years.
Patchogue Medford CSD	Leave Accruals	2016M-236	8/26/2016	Suffolk	No	Unemployment insurance reserve (\$823K as of 6/30/15) would cover costs for 15 years.
Rockville Centre School District	School Lunch Fund Financial Condition	2016M-139	7/8/2016	Nassau	No	
Smithtown School District	Capital Projects	2016M-202	8/19/2016	Suffolk	No	
South Huntington Union Free School District	Financial Condition	2016M-132	7/22/2016	Suffolk	Yes	Overestimated expenditures; recalculated FB ranged from 8.1%-8.8% of budget. \$3 M in funds designated for OPEB (as of 6/30/15), but expenditures paid from GF moneys. Workers' compensation reserve overfunded by \$1.4 M (as of 6/30/15).
Southampton School District	Special Education Claims Processing	2016M-200	8/5/2016	Suffolk	No	
Three Village School District	Fuel Inventories	2015M-271	1/8/2016	Suffolk	No	
Uniondale Union Free School District	Procurement	2016M-195	7/22/2016	Nassau	No	
Valley Stream School District	Payroll	2016M-19	4/8/2016	Nassau	No	
Valley Stream Thirteen School District	Purchasing	2016M-204	8/5/2016	Nassau	No	
Valley Stream Thirty School District	Purchasing	2016M-171	7/29/2016	Nassau	No	
West Hempstead School District	Financial Condition	2016M-116	7/8/2016	Nassau	No	
West Islip School District	Payroll	2016M-078	5/27/2016	Suffolk	No	
William Floyd School District	Payroll	2016M-165	7/15/2016	Suffolk	No	

CREATING A SCHOOL PURCHASING CONSORTIUM

One of the factors often mentioned as a reason for the high cost of living on Long Island is the myriad overlapping taxing districts and the decentralized school system. Suffolk County alone has approximately 70 separate schools districts, each with its own superintendent (often earning well over \$250,000 per year), assistant superintendents, and assistants to the assistants.

Meanwhile, Fairfax County in Virginia, a county very similar to Suffolk in income, population, racial composition and other demographics, has one, and only one, school district for the entire county. Their scholastic scores are good, as are Suffolk's, while it's bureaucracy is much leaner.

The cry from many frustrated taxpayers for several decades on Long Island was: "consolidate, consolidate, consolidate." But proponents of consolidation found out quickly just how hard it would be to effectuate this goal. Long Islanders hate their high taxes, but they love their local control. Local school boards give parents significant input regarding the "goings on" of the academic activities affecting the school their children attend just a few blocks away.

While some have hypothesized that racial concerns were the primary reason consolidation has not taken root, we have seen even the most homogeneous districts reject mergers. For instance, the districts of Sayville and Bayport-Blue Point on Suffolk's south shore, two adjacent districts that are as alike as any other neighboring districts on the Island, turned down consolidation for numerous reasons. Among them was the concern that the children of some parents would lose their starting positions on the school athletic team.

While consolidation was a non-starter in most cases, reformers had to think of alternative proposals to make our schools less expensive, without sacrificing quality. Purchasing consortiums are the concepts being promoted by the Center to bring about realistic changes that are politically palatable and that can produce real savings. More efficiency with no loss of local control is the key.

On that note, our Center recently met with numerous school superintendents to gauge their interest in participating in a purchasing consortium for schools in Islip town. The pilot program would serve as a test case to see if savings can materialize for taxpayers through the larger volume purchases that would come about from the program. Many thanks to Senator Phil Boyle, who brought the superintendents together with us. The meeting was held on October 18, 2016 at the Islip Library.

The purpose of the meeting was to begin a dialogue among numerous school districts within the Town of Islip to see if economies of scale can be achieved by creating a purchasing consortium.

The Center for Cost Effective Government will act as a conduit for the districts. As county executive, the Center's executive director, Steve Levy created the Long Island Purchasing Consortium, which allowed for schools, towns and other local governments to pool their purchasing power with the county's high-volume.

The purchasing consortium had been very successful for the two years that it operated, commencing in 2010. Large sums were saved on natural gas, paper and other products. Unfortunately, the consortium was discontinued when a new administration took office in 2012.

While districts can use the high-volume associated with BOCES and the state purchasing list, there nevertheless may be instances where even those prices can be beaten by a local purchasing consortium.

Mr. Levy provided the attendees with a proposed grid that listed each participating district on the left side vertically, and a list of goods and services listed horizontally on the top of the chart. Some of the goods listed on the chart include: paper, office supplies, copiers, gasoline, oil, chemicals, fencing, sporting equipment, paint, janitorial supplies, food, and vehicles.

The school representatives suggested that some items would be more prone than others to be successful candidates for pooling. A good deal of interest centered on inter-district purchasing of sporting equipment. It was also noted that a united bid for refuse removal may prove cost efficient.

Some district officials maintained that their efforts to save on security could be enhanced if the state were to raise the cap on income for security employees that could be earned by state retirees. Most individuals in the state pension system are prohibited from earning above \$30,000 annually in other government jobs within the state pension system. Many districts seek out retired law enforcement personnel to work security on their campuses. The cap limits their ability to get enough highly trained retired officers to apply for the positions. This may lead to them hiring lesser trained personnel at a higher cost (because such applicants do not have the supplemental pension income). A small increase on the cap would bring in more applicants at a still relatively low salary for such highly qualified people. Sen. Boyle said he is a co-sponsor of such a bill (related only to school security) and will continue pressing for its passage.

Other district officials noted that they would like to see a greater ability to purchase smaller items without having to go through lengthy, inefficient and costly bidding procedures. Presently an elaborate bid is required for any purchase over \$20,000. Raising that threshold would give districts far greater flexibility in buying less expensive products from local vendors who otherwise wouldn't respond to elaborate bid processes. Sen. Boyle noted that there was also a bill pending to effectuate such a change.

Frustration was also noted with the inability to order high volume goods from mega outlets such as Costco. In one instance, school officials wound up paying far more for food purchased for internal meetings by having to go to supermarkets than to a high volume discounter. They were informed Costco would not invoice orders from a school as a not for profit. Since there are so many of these types of meetings, the cost differential, while seeming small on an individual basis, can become quite significant.

The goal of the consortium is to create an electronic grid, whereby each district would list the products they planned to purchase over a six month period. So, if five districts planned on buying athletic equipment over that period, they could consider doing a massive single bid. The results could be measured up against the prices that are offered by BOCES and the state list. If savings materialize from the consortium bid, it could be used as a model for other purchases moving forward.

The Center will also act as a conduit for districts to list the equipment they possess, with the hope that it could be shared with other districts through a bartered relationship. Why should a district purchase a cherry picker if they could borrow it or lease it from a neighboring district on the rare occasions it is needed? Likewise, they may own a back hoe another district needs. Once these assets are listed on the site, greater dialogue can ensue between the districts.

The goal is to engage in at least limited joint ventures this fiscal year to allow for additional analysis as to whether the Purchasing Consortium should be expanded.

Levy: Tax rebates hinge on consolidation

Hosted on Long Island Business News

by Steve Levy

Did you know your local town, school or village must have a consolidation plan in place by May 15 for you to be eligible for the state's tax rebate program? More importantly, do you know if your local government knows about this deadline?

The tax rebate we received late last year was from the first phase of the state's tax rebate program. The future rebate phase is contingent on your local government saving 1 percent of its tax levy from a plan of consolidation, shared services or mergers. If your local government or school hasn't developed its plan yet, it's still not too late.

Taxing entities wishing to effectuate economies of scale can join together in a joint purchasing program. Instead of a village going out to bid for 50 desks unilaterally, it can bid with 10 other jurisdictions where 500 desks will be purchased. Higher volume equals lower costs. Governments can reach out to each other or, at no cost, work through a nonprofit such as the Center for Cost Effective Government (of which I am executive director), that can inform a district of the prospective bid intentions of other jurisdictions. Remind your local government it still has time.

More transparency needed in Suffolk

Something historic happened at the Suffolk Legislature's organizational day this year. The Republican minority proposed resolutions to reform the secretive nature of the legislature's budget process. Unfortunately, the Democratic majority stifled the reform.

While the executive's budget is submitted in late September, giving the Legislature and the public almost two months of review, the Legislature unveils its amendments the day after election, giving the public, and most legislators, just a few hours to pore over hundreds of pages of fine print. Hidden in that voluminous mess are line items of pork that often increase spending by millions of dollars.

Worse yet, the public never gets to know which legislator proposed the spending addition. It's all combined into one big omnibus bill. Moreover, there is no debate on the worthiness of any of the additions. They all get voted up or down in a single vote. As county executive, I once submitted a tax-freeze budget that legislators claimed to support before election, only to have them turn around the day after the election and pass a tax increase.

Legis. Tom Cilmi has introduced legislation calling for the budget sessions to be open to the public.

Cilmi rightly believes these votes must be cast before election and legislators should be required to place their names on any spending additions they propose. Additionally, no votes should take place prior to the legislators and the public having at least several days to review and comment on the additions.



228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

AGENDA

SENATOR PHIL BOYLE'S MEETING ON SCHOOL PURCHASING CONSORTIUM

GUESTS: VE STEVE LEVY (PRESENTLY, EXECUTIVE
DIRECTOR OF THE CENTER FOR COST EFFECTIVE GOVERNMENT).
SUPERINTENDENTS OF SCHOOLS WITHIN THE 3RD SENATE DISTRICT.

WHERE: ISLIP PUBLIC LIBRARY
WHEN: OCTOBER 18, 2016, 3:00 PM

3:00 PM Meeting called to order by Senator Boyle

3:10 PM Introduction of participants

3:20 PM Introduction of Steve Levy, Executive Director of Center for Cost Effective
Government

Presentation of the Long Island Purchasing Consortium, which provided high
volume saving in 2010-11

Discussion on the pros and cons of BOCES and state contracts

Discussion on concept of creating a purchasing consortium for schools in Islip
Town

3:40 PM Input from superintendents regarding cost sharing ventures they have employed

4:00 PM Discussion as to whether a purchasing consortium of approximately ten schools
can obtain savings beyond traditional methods

4:20 PM Analysis of the "Purchasing Grid" which coordinates major purchases from all
participating districts

4:30 PM Develop action plan, if advisable

4:45 PM Adjourn

CENTER FOR
Cost Effective
GOVERNMENT

228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
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November 21, 2016

Catherine Nocco
School Purchasing agent
Sachem Schools
51 School St.
Lake Ronkonkoma, NY 11779

Dear Cathy,

Last month, I, along with Sen. Phil Boyle, hosted a meeting of officials from school districts throughout Islip Town to discuss creating a Purchasing Consortium. While Sachem did not attend, the district expressed its interest in participating. I was asked that I correspond directly with you. I was glad to hear this, since you were so cooperative in the Brookhaven venture.

Our first step will be to gauge interest in two areas of purchasing discussed at our initial meeting: sports equipment and garbage removal.

It would be greatly appreciated if you would let our Center for Cost Effective Government know if you would consider participating a joint purchase or contract on these items. For instance, if you want to maximize savings on upcoming sports equipment, simply let us know when you are contemplating going out for your next bid buying off the state list. We will then share that information with the other districts expressing interest. At that point, we can consider crafting a joint bid as a pilot program. This is especially timely, given the Newsday cover story this week that showed some districts getting helmets for one-fifth of the price paid by others for the same quality product.

Also, if you would like to consider a larger scale garbage pick up contract with other districts, simply let us know when your present contract expires. We can then shop around to see if we can get a reduced rate for the service.

We are setting a December 15th deadline for responses on these two issues. Please get back to us within that time so we can move this pilot program forward.

Thank you for your anticipated cooperation.

Sincerely,


Steve Levy,
Executive Director

cc: Dr. Kenneth Graham



228 Barrett Avenue
Bayport, NY 11705

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E. info@centerforcosteffectivegovernment.org

Synopsis of School Purchasing Consortium Meeting

Senator Phil Boyle
Center for Cost-Effective Government, Steve Levy
Superintendents of schools in Islip Town:
Bay Shore Schools, Richard Gallagher
East Islip Superintendent, John Dolan
Islip Superintendent, Sue Schnelbel
Sayville Superintendent, Walter Schartner
West Islip Superintendent, Bernadette Burns
Hauppauge Schools, Joanne Filipkowski

Date: October 18, 2016,
Place: Islip Library

Synopsis prepared by Steve Levy

The meeting was called to order by Sen. Boyle at 3:10 PM.

He explained that the purpose of the meeting was to begin a dialogue among numerous school districts within the Town of Islip to see if economies of scale can be achieved by creating a purchasing consortium.

The Center for Cost Effective Government, a not for profit group headed by executive director Steve Levy, the former Suffolk County executive, will act as a conduit for the districts. As county executive, Mr. Levy created the Long Island Purchasing Consortium, which allowed for schools, towns and other local governments to pool their purchasing power with the county's high-volume.

Mr. Levy noted that the purchasing consortium has been very successful for the two years that it operated, commencing in 2010. Large sums were saved on natural gas, paper and other products. Unfortunately, the consortium was discontinued when a new administration took office in 2012

Mr. Levy pointed out he was aware that districts can use the high-volume associated with BOCES and the state purchasing list. Nevertheless there may be instances where even those prices can be beaten by a local purchasing consortium.

Mr. Levy provided the attendees with a proposed grid that listed each participating district on the left side vertically, and a list of goods and services listed horizontally on the top of the chart.

Some of the goods listed on the chart include: paper, office supplies, copiers, gasoline, oil, chemicals, fencing, sporting equipment, paint, janitorial supplies, food, and vehicles.

The school representatives suggested that some items would be more prone than others to be successful candidates for pooling. A good deal of interest centered on inter-district purchasing of sporting equipment. It was also noted that a united bid for refuse removal may prove cost efficient.

Some district officials maintained that their efforts to save on security could be enhanced if the state were to raise the cap on income for security employees that could be earned by state retirees. Most individuals in the state pension system are prohibited from earning above \$30,000 annually in other government jobs within the state pension system. Many districts seek out retired enforcement personnel to work security on their campuses. The cap limits their ability to get enough highly trained retired officers to apply for the positions. This may lead to them hiring lesser trained personnel at a higher cost (because such applicants do not have the supplemental pension income). A small increase on the cap would bring in more applicants at a still relatively low salary for such highly qualified people. Sen. Boyle said he is a co-sponsor of such a bill (related only to school security) and will continue pressing for its passage.

Other district officials noted that they would like to see a greater ability to purchase smaller items without having to go through lengthy, inefficient and costly bidding procedures. Presently an elaborate bid is required for any purchase over \$20,000. Raising that threshold would give districts far greater flexibility in buying less expensive products from local vendors who otherwise wouldn't respond to elaborate bid processes. Sen. Boyle noted that there was also a bill pending to effectuate such a change.

Frustration was also noted with the inability to order high volume goods from mega outlets such as Costco. In one instance, school officials wound up paying far more for food purchased for internal meetings by having to go to supermarkets than to a high volume discounter. They were informed Costco would not invoice orders from a school as a not for profit. Since there are so many of these type of meetings, the cost differential, while seeming small on an individual basis, can be come quite significant.

Mr. Levy stated he will follow up with districts within Islip Town, both those who attended and those who did not, to gauge their interest in participating on a pilot basis. The goal is to create an electronic grid whereby each district would list the products they planned to purchase over a six month period. So, if five districts planned on buying athletic equipment over that period, they could consider doing a massive single bid. The results could be measured up against the prices that are offered by BOCES and the state list. If saving materialize from the consortium bid, it could be used as a model for other purchases moving forward.

The Center will also act as a conduit for districts to list the equipment they possess, with the hope that it could be shared with other districts through a bartered relationship. Why should a district purchase a cherry picker if they could borrow it or lease it from a neighboring district on the rare occasions it is needed. Likewise they may own a back hoe another district needs. Once these assets are listed on the site, greater dialogue can ensue between the districts.

The goal is to engage in at least limited joint ventures this fiscal year to allow for additional analysis as to whether the Purchasing Consortium should be expanded.

[illegible]

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E. info@centerforcosteffectivegovernment.org

Newsday's editorial board is correct in saying schools need to innovate to comply with the tax cap laws ["Let the tax cap spur innovation," Editorial, Jan. 21]. School consolidation would be sensible, but it's highly unlikely. This is because of the affinity for local control, neighborhood pride, student access to sports teams and, unfortunately for some, a fear of mixing with different demographics.

Instead of spinning our wheels on the improbable, we could promote schools consolidating their purchasing and service delivery, even while they maintain local control. We at the Center for Cost Effective Government have been encouraging schools to come together, perhaps 10 or 20 at a time, to put out single bids for transportation, cafeteria service, maintenance or security, for example.

Our county governments should facilitate this cooperation. The Long Island Purchasing Consortium, which was formed to do so in 2010, was disbanded by Suffolk County's administration in 2012. It's time to revive the consortium and take advantage of economies of scale.

Edward J. Kelly Jr., East Islip

Editor's note: The writer is a member of the board of the Center for Cost Effective Government, a public advocacy group.

Center for Cost Effective Government

November 17, 2016

Dear {First Name},

Thank you to all the school officials who expressed interest in working with our Purchasing Consortium. Our first step will be to gauge interest in two areas of purchasing discussed at our initial meeting: sports equipment and garbage removal.

It would be greatly appreciated if you would let our Center for Cost Effective Government know you would consider partaking in a joint purchase or contract on these items. For instance, if you want to maximize savings on upcoming sports equipment, simply let us know when you are contemplating going out for your next bid buying off the state list. We will then share that information with the other districts expressing interest. At that point, we can consider crafting a joint bid as a pilot program.

If you would like to consider a larger scale garbage pick up contract with other districts, simply let us know when your present contract expires. We can then shop around to see if we can get a reduced rate for the service.

We are setting a November 30th deadline for responses regarding these two issues. Please get back to us within that time so we can move this pilot program forward.

Thank you for your anticipated cooperation.

Sincerely,

Steve Levy,
Executive Director

Center for Cost Effective Government, 228 Barrett Avenue, Bayport, NY 11705

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228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

January 26, 2016

Shawn Cullinane

Village of Lindenhurst

430 S. Wellwood Ave

Lindenhurst, NY, 11757

Dear Shawn,

Since I wasn't sure if my emails went through, I wanted to make sure that you had the contact number for Sayville Fire Commissioner Robert Chester. He is the fellow I mentioned who helped bring about considerable savings for departments in Islip by developing a purchasing and service delivery consortium. His number is 631-334-7019 and his email is xchief31130@aol.com I hope this proves useful.

Sincerely,

Steve Levy

CENTER FOR
Cost Effective
GOVERNMENT

228 Barrett Avenue
December 2, 2015
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

Larry Santangelo, President
Suffolk County Fire District Managers Association
C/O Medford Fire Department
171 Oregon Ave
Medford, NY 11763

Dear Larry,


As the Executive Director of the Center for Cost Effective Government, I recently hosted a meeting with leaders of numerous fire and ambulance officials regarding pooling services and purchases. I understand that the Suffolk County Fire District Officers Association has delved into this issue to some extent in the past. The representatives at our meeting concluded by directing me to ask if your association could kindly consider adding some additional measures to significantly increase the number of districts participating in possible purchasing consortiums.

Our meeting was held at the North Patchogue Fire Department and had representatives from North Patchogue and South Country Ambulance, as well as Robert Chester of Sayville, who is presently part of a consortium with Bayport, Bohemia, and West Sayville. We saw on your website that there is a section entitled "piggyback bids" that lists a handful of upcoming bids. We are asking whether your association would be willing to work with us in having periodic email blasts to every district manager in the county asking that they forward to your website any upcoming bids they will have in the next six months.

It has also been asked that a reminder go out to every district to have their attorneys place standard boiler plate language in their bids noting that they can be piggybacked. By having all of these bids placed on your centralized site, all of the other departments can determine whether they would like to do a co-bid.

Is it possible that we could come to an upcoming fire district meeting to discuss this matter further? I look forward to hearing from you soon.

Respectfully,


Steve Levy
Executive Director

BOCES REFORM - ENDING INCENTIVES TO BUY MORE EXPENSIVE PRODUCTS

The Board of Cooperative Educational Services, more commonly known as BOCES, is an arm of the New York State academic system that was designed to provide shared educational programs and services, as well as occupational training and special educational services for thousands of students in New York.

BOCES has been used by school districts as a conduit to obtain some products and services at a high volume, discounted price. Rather than bidding as a single district, the district can seek to buy a product that was bid through the larger BOCES conglomerate. In theory, the prices should be lower through BOCES, and often they are. It is not well publicized, however, that often the prices can actually be higher than bids procured through the marketplace.

Schools will often take BOCES's higher prices, nevertheless, because state aid would be available for the BOCES purchases, but not through a purchase made via a competitive bid in the marketplace. Consequently, a district might be able to buy a conference table for \$750 from a local vendor. That same table might be available on the BOCES list for \$1,000. If the district purchases through BOCES, it may be eligible for a \$500 reimbursement from the state. Yet, no such reimbursement flows if the purchase is made via a non-BOCES outlet. The system has, in essence, created an incentive for the districts to buy the more expensive product.

In order to change this out-dated system, our Center worked with Senator Phil Boyle to draft legislation (S1610) that would allow for reimbursement regardless of which process was used. This would provide incentive for the district to go with the most cost-effective option. More specifically, it would allow for state reimbursement, not only for purchases made through BOCES, but for the purchases made via any competitive bid.

BOCES Reform Long Overdue

Steve Levy

David Winzelberg of this paper wrote a revealing expose' on how taxpayer dollars are being wasted through an archaic state reimbursement system utilized for school district purchases through the BOCES purchasing consortium. He cited numerous examples where taxpayers wound up paying several hundred dollars more for a desk simply because it was purchased through BOCES, thereby making districts eligible for state reimbursement. A district that would otherwise purchase a desk for \$700 through a competitive bid would instead pay \$1000 through BOCES, knowing that \$400 would come back in the form of reimbursement. The net amount expended by the district is less going through BOCES than had they bought the cheaper desk directly. Nevertheless, our state tax dollars are veered toward reimbursement for a more expensive product.

We can do better. The Center for Cost Effective Government, for which I serve as Executive Director, is teaming up with State Senator Phil Boyle to draft legislation that would provide state reimbursement to the lower bid, regardless of whether it went through BOCES. This would continue to give the district a reimbursement it presently enjoys, while sparing the state taxpayers from having to subsidize a more expensive product. Meanwhile those more competitive vendors will prosper.

It is incredible that statewide inertia has allowed this ridiculous concept to continue. Kudos to the Business News for making Long Islanders aware of the problem and to Senator Boyle for seeking to reform the reimbursement process.

The Center is also working with Senator Lee Zeldin to deal with outrageous superintendent pensions — some reaching \$27,000 MONTHLY! We also need legislation to ensure neither sick or vacation pay, nor overtime incurred by those eligible, should be factored into one's pension calculations. And an end must come to cases such as an east end village police official getting a \$400,000 severance check for unused sick and vacation time. Changes should also require a contribution from those receiving health benefits.

Some will say the state Constitution prevents changes to these terms except for those hired prospectively, meaning we'll continue to pay \$100-\$200,000 annual pensions, and nearly half a million dollar severance payouts, to management and civil servants for decades to come. Others disagree, claiming these are not basic terms of a pension and can be changed even for current employees. Something must be done. If it means modifying the constitution, so be it. Let's get it done.

And if all else fails, let's welcome control hoards that provide the legal authorization to immediately change the terms of these contracts that are driving our localities to bankruptcy. It's commendable that New York State has lowered the rate of its increase in spending, but if we are to afford to live here, we need a leader to provide the meaningful changes noted above.

Steve Levy is Executive Director of Center for Cost Effective Government. He served as Suffolk County Executive 2004-2011, and as a NYS Assemblyman

Taxpayer Advocates Promote Two School reforms

May 28, 2015

by **Steve Levy**

A number of taxpayer advocacy groups have called upon the state legislature to pass two important school district reforms before the 2015 legislative session wraps up at the end of June.

Leaders from the Center for Cost Effective Government (Center), Long Islanders for Education Reform, and Suffolk Tax Pac have been promoting reforms to the BOCES purchasing process, as well as the manner in which the public votes are cast on school bonds.

The advocates promoted the BOCES reform after a Long Island Business News article exposed how taxpayers were paying more for items purchased through BOCES than would be the case if they chose the product from a local bid. Because partial state reimbursement will be available for items purchased through BOCES, school districts are incentivized to procure through BOCES even though the product is more expensive than had they purchased it through the market.

For instance, a \$700 conference table that could be purchased from a complete bid would instead be bypassed for a \$1000 table purchased through BOCES, simply because the school district could possibly receive a \$500 rebate from the state if the purchase was made through BOCES. While there is a smaller net outlay by the local district, state taxpayers make up the difference.

Steve Levy, former Suffolk County Executive and presently executive director of the Center, believes that it makes much more sense to have the state provide the reimbursement for the least expensive product, and not just if it were purchased through BOCES. Said Levy, "This reform would significantly lessen the incentive for districts to purchase a more expensive item simply because state aid might be available." Said Anita MacDougall of Long Islanders for Education Reform, "Ultimately, with this reform the local district will continue to reap the state assistance while state taxpayers will no longer have to subsidize a more expensive product."

Earlier this year, Levy worked with Senator Phil Boyle to draft legislation that would provide the aid for the lowest bid, regardless whether the BOCES procedure was used. The bill was later picked up by Assembly majority member Assemblywoman Crystal Peoples-Stokes.

The taxpayer coalition also called for a change to the system that permits school districts to schedule public referendums on bonding resolutions at any time during the year. Advocates, such

as Andrea Vecchio of Suffolk Tax Pac, believe that mid-year bonds may circumvent the intent of the 2% property tax cap. "People go to the polls each May to pass a school budget with a finite level of expenditures proposed," said Vecchio. "Then, several months later, a huge interest obligation could be imposed by the passage of a bond. The voters should know at the time they vote on the overall school budget exactly how much is planned to be spent during the year on both operational and capital projects. This is why it is so essential that any bonding resolutions be voted upon at the same time voters are considering the overall budget plan for that district."

The reform to restrict the vote to the same day as the budget vote has been introduced in the state senate by Senator Kenneth LaValle and in the assembly by Assemblyman Fred Thiele (Bill No. A02025A).

Levy noted, "This is a golden opportunity where we have majority sponsors in both houses of the state government in support of these important reforms. The time is now to pass these bills and make them law."



Bill S1610-2015

Relates to the cost effectiveness of tangible equipment in connection with BOCES aid

Relates to the cost effectiveness of expenditures incurred by compliant component school districts for tangible equipment.

Details

- Same as: A6897-2015
 - Versions S1610-2015
 - Sponsor:BOYLE
 - Committee: EDUCATION
 - Law Section: Education Law
 - Law: Amd §1950, Ed L
-

Actions

- Jan 13, 2015: REFERRED TO EDUCATION

Memo

BILL NUMBER: S1610

TITLE OF BILL: An act to amend the education law, in relation to the cost effectiveness of tangible equipment

PURPOSE OR GENERAL IDEA OF BILL:

The purpose of the bill is to allow school districts to receive BOCES aid reimbursement for purchases deemed more cost effective than those through BOCES.

SUMMARY OF SPECIFIC PROVISIONS:

Section 1: Allows for BOCES reimbursement to a school district for purchases of tangible equipment made outside of BOCES if those purchases are more cost effective than what could have been purchased through BOCES without the consideration of BOCES aid.

Section 2: Directs the commissioner to promulgate rules, regulations and standards to implement the provisions of this legislation.

JUSTIFICATION:

It is incumbent upon school districts and Boards of Cooperative Educational Services (BOCES) to ensure that all expenditures are cost effective.

Often school districts are able to find better prices on equipment and supply purchases than those offered by their boards of cooperative educational services. However, because purchases via BOCES are reimbursable, the school district will often purchase from BOCES as opposed to the more cost effective alternative. This extra expense is a waste of taxpayer dollars.

This legislation seeks to encourage BOCES and school districts to exercise due diligence in the procurement of supplies and equipment so they make purchases that are the most cost efficient.

PRIOR LEGISLATIVE HISTORY:

S.7938 of 2014

FISCAL IMPLICATIONS:

To be determined.

EFFECTIVE DATE:

This act shall take effect immediately.

Text

STATE OF NEW YORK

1610

2015-2016 Regular Sessions

IN SENATE

January 13, 2015

Introduced by Sen. BOYLE -- read twice and ordered printed, and when printed to be committed to the Committee on Education

AN ACT to amend the education law, in relation to the cost effectiveness of tangible equipment

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph d of subdivision 4 of section 1950 of the education law is amended by adding a new subparagraph 6 to read as follows:

(6) COST EFFECTIVENESS OF TANGIBLE EQUIPMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION TO THE CONTRARY, EXPENDITURES INCURRED BY COMPONENT SCHOOL DISTRICTS IN COMPLIANCE WITH THE GENERAL MUNICIPAL LAW, PURSUANT TO PURCHASE AND/OR INSTALLATION CONTRACTS ENTERED INTO ON OR AFTER JANUARY FIFTEENTH, TWO THOUSAND, FOR EQUIPMENT INCLUDING BUT NOT LIMITED TO FURNITURE, BULLETIN BOARDS, TANGIBLE INSTRUCTIONAL MATERIALS AND CLASSROOM AIDS, SHALL BE AN ACCEPTABLE EXPENSE FOR BOCES AID IF THE COMPONENT SCHOOL DISTRICT DEMONSTRATES THE PURCHASE WOULD BE MORE COST-EFFECTIVE THAN WOULD OTHERWISE BE POSSIBLE IF SUCH SERVICES WERE TO BE PURCHASED WITHOUT THE CONSIDERATION OF BOCES AID.

S 2. The commissioner shall promulgate rules, regulations and standards to implement the provisions of this act.

S 3. This act shall take effect immediately.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

LBD07390-01-5

Comments



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228 Barrett Avenue
Bayport, NY 11705

P. 631-877-0940
E. info@centerforcosteffectivegovernment.org

Center for Cost Effective Government
March 24, 2016
Dear {First Name},

Center for Cost Effective Government

Last year I told you the good news that we had majority sponsors in both the Senate and the Assembly for the bill that would reform the way school districts purchase materials. More specifically, it would allow for state reimbursement, not only for purchases made through BOCES, but for the purchases made via any competitive bid.

This is significant because we found that BOCES bids would often be for a higher purchase price than bids procured through the marketplace. Schools will often take BOCES's higher prices nevertheless, because state aid would be available for the BOCES purchases but not through a purchase made via a competitive bid in the marketplace.

We worked with Assemblyman Phil Boyle to draft legislation (S1610) that would allow for reimbursement regardless of which process was used. This would provide incentive for the district to go with the most cost-effective option.

Unfortunately, the bills were not moved out of committee last year. We are hoping to apply the needed pressure to have these bills on the forefront of the minds of our legislators. Therefore, we respectfully request that you write or call the offices of Senator Boyle and Assemblywoman Crystal Peoples-Stokes (Bill No. A6897) to ask that this be the year that this important bill is passed by the state legislature.

The contact for Senator Boyle is: (T) 631-665-2311 (E) pboyle@nysenate.gov (A) 69 W Main St, Bay Shore, NY 11706, and the contact information for Assemblywoman Peoples-Stokes is: (T) 716-897-9714 (E) peoplec@assembly.state.ny.us (A) 425 Michigan Avenue, Buffalo, NY 14203.

Thank you for your cooperation.

Sincerely,

Steve Levy
Center for Cost Effective Government

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MAKING POLICE DEPARTMENTS MORE EFFICIENT

Our Center discussed the concept of exploring the use of 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 as to how much they can make 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 can 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.

The Center for Cost Effective Government is conducting an analysis of high police costs for villages with low crime levels. We're using Rockville Centre as an example.

The conclusions of our analysis are as follows:

There were 64 Law enforcement members; 46 officers, 13 sergeants 4 lieutenants and 1 commissioner in 2015.

*\$863,800 was spent on salaries.

*The total village budget for 2015-16 was \$43,193,865.

*The budget shows that \$9.6 million was spent on total police costs

*\$8.95 million was spent as personal services in the department.

*Police retirement was \$2.35 million.

*The average salary for each officer is \$135,000.

*It is estimated that average health cost per employee is \$18,000, assuming there is an estimated contribution of 15% or lower.

*Approximately 25% of each person's salary is dedicated toward pension costs.

Retired part time officers are capped at \$30,000 per year if they work for another public entity in the state, due to state law restrictions

*If the Village removed 36 full timers at \$150,000, it would save \$5.4 million. If they hired 72 part timers at 30,000 each, it would cost \$2.16 million. The net salary saving would be \$3.24 million. Saving \$18,000 for each of the 32 full timers would provide \$575,000. The pension savings for 32 full timers would be \$1.05 million. Total savings would be \$4,025,000 per year.

The Village can decide to replace even more, or somewhat fewer full timers and adjust the savings accordingly.

Other villages can do the same thing. It is not as though the average village has sky high crime rates. One village had a total of under thirty property crimes the entire year.

Of course, the best solution would be to remove villages from the umbrella of mandatory arbitration, which is what has caused these salaries to rise so dramatically in the first place. But without such a reform, the use of part time officers is a sure way to save a sizable sum for over-beleaguered taxpayers.

A request is made pursuant to the Freedom of Information Act for a list of all police personnel in your village police department, be they full time, part time, constables or other law enforcement individuals. Also requested is the base salary for each such member, as well as overtime, night differential and other miscellaneous income derived by each, as well as total salary for that individual for the year 2015 and the budgeted amount for each individual for 2016. Please also provide separately the amount provided for health insurance and pension contributions on behalf of such individuals.

Please also provide the total costs within the budget for all full time officers, the total for all part time officers and the total for any constables or other law enforcement personnel. Please provide this information by either US mail or email at info@centerforcosteffectivegovernment.org

Suffolk County



A Suffolk County Police boat

- Suffolk County Police Department
- Suffolk County Sheriff's Office (Deputy Sheriffs are police officers. Correction Officers are peace officers)
- Suffolk County SPCA Law Enforcement Division (peace officers)
- Asharoken Police Department
- Amityville Police Department
- Babylon Village Code Enforcement (peace officers)
- Belle Terre Village Constables (peace officers)
- Brightwaters Village Public Safety (peace officers)
- East Hampton Town Marine Patrol
- East Hampton Town Police Department
- East Hampton Village Police Department
- Fisher's Island Constables (peace officers)
- Head of the Harbor Police Department
- Lloyd Harbor Police Department
- Long Island MacArthur Airport Police Department (peace officers)

12/28/2015

List of law enforcement agencies in Long Island - Wikipedia, the free encyclopedia

- Nissequogue Police Department
- Northport Police Department
- Ocean Beach Police Department
- Old Field Village Constables (peace officers)

- Port Jefferson Village Constables Bureau (peace officers)
- Poquott Village Constables (peace officers)
- Patchogue Village Constables (peace officers)
- Quogue Police Department
- Riverhead Town Police Department
- Sag Harbor Police Department
- Saltaire Police Department
- Shelter Island Town Police Department
- Southampton Town Bay Constables
- Southampton Town Police Department
- Southampton Village Police Department
- Southold Town Police Department
- Town of Babylon Bay Constable's Office (peace officers)
- Town of Babylon Park Rangers (peace officers)
- Town of Brookhaven Fire Marshals (peace officers)
- Town of Brookhaven Park Rangers (peace officers)
- Town of Brookhaven Harbormaster/Bay Constables (peace officers)
- Town of Islip Fire Marshal's Office (peace officers)
- Town of Islip Harbor Police Department (peace officers)
- Town of Islip Park Rangers (peace officers)
- Town of Huntington Harbormaster/Bay Constables(peace officers)

https://en.m.wikipedia.org/wiki/List_ofLaw_enforcement_agencies_in_Long_Island

6/9

12/28/2015

List of law enforcement agencies in Long Island - Wikipedia, the free encyclopedia

- Town of Smithtown Department of Public Safety (peace officers)
- Village of the Branch Police Department
- Westhampton Beach Police Department
- Westhampton Dunes Village Constables (peace officers)

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Letters OPINION

Letter: Let Suffolk deputies do police work

September 19, 2016 7:07 AM

Reprints A+ A-



The Suffolk County Police Department has launched a new telephone hotline, dubbed "Cancel the Keg," aimed at stopping underage drinking parties before they begin. Photo Credit: Ed Betz

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Newsday's editorial on excessive police costs in Suffolk County is the best and most overdue editorial on the subject in decades ["What price for police?" Sept. 12]. However, Newsday's suggestion to let the public vote on whether to tax itself more is misguided.

Getting efficiencies out of the department is very difficult. Nevertheless, my administration was able to make substantial progress — though much of it has been reversed — by having civilians fill positions when possible, by scheduling more efficiently and by placing less expensive sheriff's deputies on the highways.

True relief for taxpayers can only come about from one of three drastic options.

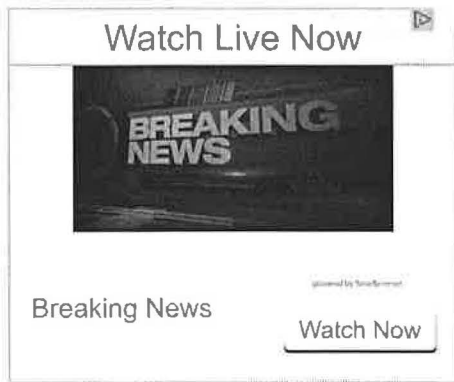
1) The State Legislature could finally grow a backbone and do away with mandatory arbitration. It could also eliminate overtime from being factored into police pensions and stop sick days from being cashed out upon

retirement. New York City doesn't allow cash-outs.

2) Implement a control board that would give county management the statutory authority to undo the burdensome contracts.

3) Abolish the police department and have sheriff's deputies perform their duties, as is the norm in most counties in the state. We can grandfather in the present officers at the present pay scale, but require that all new replacements be sheriff's deputies, who currently go through the same training at the same academy.

Yes, these are radical steps, but financial collapse may be the alternative.



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Steve Levy, Bayport

Editor's note: The writer was Suffolk County executive from 2004 to 2011.

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OPINION: STINGY PBA ARBITRATORS GIVE STORE AWAY ELSEWHERE

BY STEVE LEVY | NOV 27, 2015 |

25



New York City Patrolmen's Benevolent Association President Patrick Lynch Editorial Credit: a katz / Shutterstock.com

As a former assemblyman who once cast the only "nay" vote to extend mandatory arbitration to settle police wage disputes, I had conflicting emotions in hearing about the arbitration ruling granting New York City police officers a mere one percent annual salary increase.

RELATED ARTICLES

New York City officials unveils long-awaited rezoning proposal for Upper West Side

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For once, the arbitration panel did not give the store away. But in erring on the side of fiscal responsibility, the arbitrators got it completely backwards. New York City officers are hardly overpaid. The belt tightening is needed mostly in other departments around the state, such as those on Long Island, where arbitrators had at one point given starting salaries that were higher than where New York City officers capped out.

It is remarkably counterintuitive that police covering relatively safe suburbs could be earning over \$200,000 annually while New York City cops, who were facing far more danger and confrontation, were receiving unsatisfactory wages.

These sort of illogical outcomes stem entirely from the well intentioned, but highly abused, mandatory arbitration system. The arbitration laws were instituted in 1974 as a supplement to the controversial Taylor Law, which was crafted in response to union strikes that crippled the city's finances. The laws stated that unions would forgo the ability to strike and gave independent panels the power to quickly settle disputes to keep workers on the job. New York City police unions, however, were excluded from the law.

The result was a game of salary leapfrog between Nassau and Suffolk county police departments. An arbitrator would grant huge raises to one county only to have the adjoining county ask for more the next round – using the other county's award as a new market value that needed to be topped.

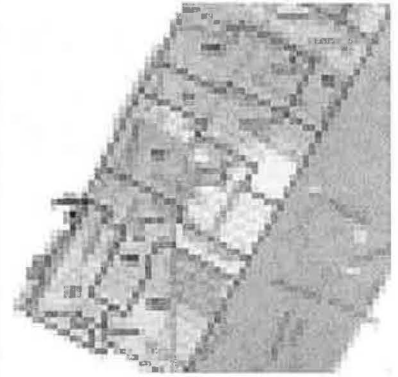
Mandatory arbitration became an unforeseen boon to the unions. County elected officials, who were supposed to be adversaries of the unions at the bargaining table, were unduly influenced by union endorsements and donations. Local electeds were more than happy to punt the salary decision off to the arbitrator without so much as a fight. When the arbitrator granted increases far above inflation, the unions got what they wanted, while the electeds got their continued flow of donations and would simply blame the arbitrator for the taxpayer hit.

The salary and terms became so outlandish that Long Island contracts contain provisions granting salaries over \$200,000 per year, with 100 paid days off, six weeks vacation, pension exceeding \$150,000 per year, and severance pay of a quarter million dollars for unused sick and vacation days. These types of numbers were inconceivable to New York City cops.

In 1998, New York city cops were finally granted mandatory arbitration. Unfortunately, just when they thought they would start to catch up to the relatively exorbitant salaries of Long Island cops, they get hit with one of the stingiest arbitrations for law enforcement ever seen in New York state.

Here are four ways for arbitrators to get it right the next time:

- Give underpaid New York City cops a decent bump, while holding the line on the Long Island salaries that are already in the stratosphere.



1 in 5 mistreated in New York City nursing homes, study finds

+ NEW YORK CITY



New York City Council overwhelmingly passes \$82.1 billion budget

+ NEW YORK CITY

- Remove the Long Island provision that allows officers to cash out unused sick days and adopt the New York City rule that gives unlimited sick, where justified, without any cash outs.
- End the process of allowing employees to factor overtime into the salary upon which a pension will be based.
- Reform rules that allow for tax-free salaries for workers on disability, thereby netting them more income than officers who are working.

State legislators can do their part during the upcoming 2016 legislative session, when they will have the opportunity to pass bills presently in committee that would significantly change the mandatory arbitration process. The Legislature can simply allow the arbitration law to expire by simply refusing to renew it (as is required every two years). My lone vote against continuing arbitration almost 15 years ago was before there was a focus on the abuses of this system. Now that the public is more keenly aware of the \$200,000 police officer on Long Island, perhaps more than just a single nay vote will be cast

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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**UpstateTaxpayer** • a year ago

Cops making \$200,000 a year on LI -- eventually it all collapses on itself as in Detroit. The LI economy is dead in the water due to the highest in the nation taxes, worst anti-business regulations, and (thanks to the entire Cuomo Family, going back to Mario) highest utility costs in the nation. You can't sustain an economy just being the overflow from NYC. Time to get out of Dodge while you can.

^ ▾ • Reply • Share ▸

**anonymous_tms** → **UpstateTaxpayer** • a year ago

Just addressing the "highest utility costs in the nation" deal. A hefty chunk of that (certainly not all, but more than enough to notice) is courtesy of the NIMBYs who block useful projects like additional electrical cables.

Long Island has very limited ability to import electricity due to way too few transmission lines. Add a couple more across the Sound and at least some moderation would occur. (Yes, of course, the cable companies would make money. So what?)

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ENDING UNION LEAVE

Few taxpayers are aware that they are paying for union leaders to do their union business. It is a concept called "union leave." Not many elected officials dare to discuss ending this taxpayer expense or even raise the issue, because they fear backlash from the powerful municipal sector unions that supply them with endorsements and campaign cash.

While our political class may shy away from addressing the issue, our Center has been at the forefront of exposing the surprisingly high costs associated with union leave and has raised questions as to its legality

Do taxpayers have an obligation to pay union leaders so they can be freed up from their regular jobs in order to lobby on behalf of the union? We think not. In fact, we think it can easily be said that such taxpayer subsidies are unconstitutional, or at least may be violative of state statutes against gifts with no public purpose.

Our Center is presently preparing litigation to invalidate this expenditure in Suffolk county, which amounts to approximately \$3 million annually.

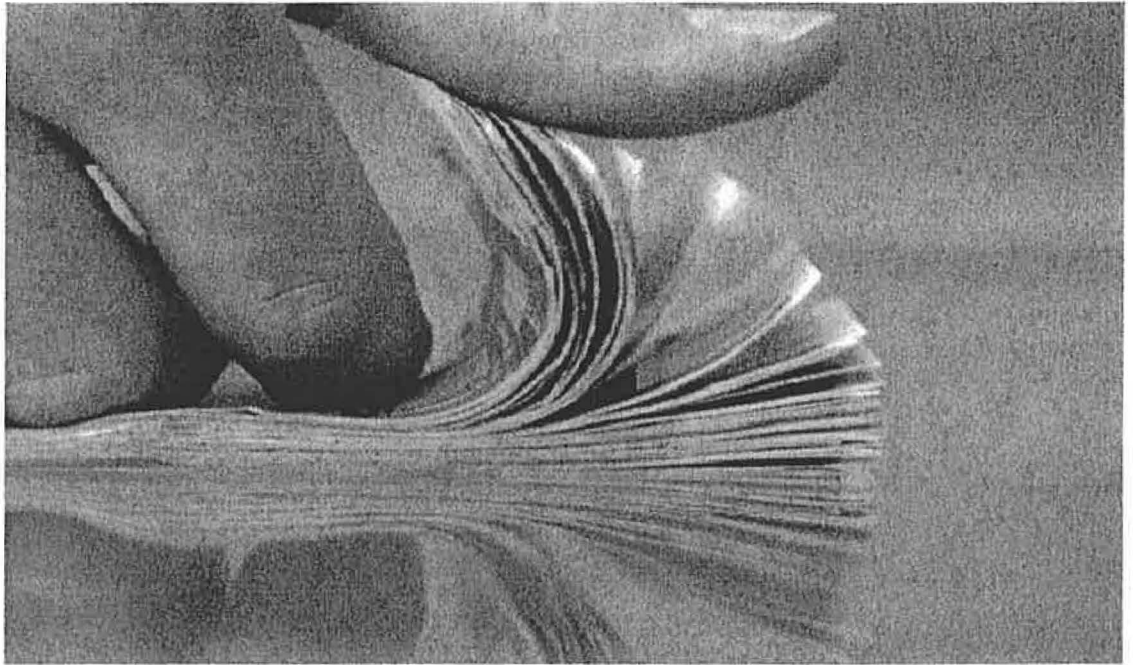
New York is not alone in having to deal with this burden. In fact, over \$122 million a year of taxpayer funds are expended to provide union leave for federal union leaders, according to the Mackinac Policy Center in Michigan. Word is out that President-elect Trump will be seeking a revocation of this policy.

Meanwhile, many localities and states are pushing to end this taxpayer expense; through legislation in Michigan and by lawsuits in Idaho and Pennsylvania. As recently as 2014, a lower Arizona court held the practice as being an unconstitutional gift. Even though there was a split decision reversal on a higher level, there appears to be a solid basis upon which to generate a legal challenge in other states.

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Levy: Why do taxpayers subsidize unions to lobby against taxpayers?

By: Steve Levy December 2, 2016

Comments Off on Levy: Why do taxpayers subsidize unions to lobby against taxpayers?



**Steve
LEVY**

We as a nation are in so many ways better off for having unions to advocate on behalf of workers' rights. But do taxpayers have an obligation to pay union dues? I think not. In fact, I think it can easily be said that such taxpayer subsidies are unconstitutional, or at least may violate state statutes against gifts with no

purpose.

The Suffolk County Executive's 2017 budget calls for cuts to numerous bus routes serving the working class as cuts to a plethora of not-for-profit agencies. The county could free up \$2-3 million annually for these routes and agencies if we simply stop paying for the concept of "union leave."

As a former elected official who had a responsibility to negotiate with the unions on behalf of taxpayers, I never fully understand why I was negotiating against a full slate of union leaders who were being paid by taxpayers to lobby against taxpayers' interest. Now, don't get me wrong, I fully respect and appreciate the important role union leaders play in ensuring their hard-working members are properly protected (and fully support the idea that employees who get the benefits of a contract should have to pay their dues), but why should taxpayers be footing the bill for the union leaders to do their union work when the union leader is not performing any work for the taxpayer? God bless these leaders for their advocacy, but they should be paid out of union dues.

At the same time that unions are being subsidized to the tune of \$3 million annually, the PBA union fund is so flush that they are able to expend hundreds of thousands of dollars on lobbying for or against candidates for a new building they just purchased in Brentwood for \$4.5 million.

Wouldn't it make more sense to use money presently slated for union leave for our not-for-profits or bus help the needy?

New York is not alone in having to deal with this burden. In fact, over \$122 million a year of taxpayer fun expanded to provide union leave for federal union leaders, according to the Mackinac Policy Center in Michigan. Word is out that President-elect Trump will be seeking a revocation of this policy.

Meanwhile, many localities and states are pushing to end this taxpayer expense; through legislation in Michigan by lawsuits in Idaho in Pennsylvania. As recently as 2014, an Arizona court held the practice as being an unconstitutional gift.

Will New York taxpayers finally be spared this burden as well? My efforts to end these payments were thin now, with painful cuts being implemented and the county selling off its buildings for cash, perhaps it's time legislature to reconsider.

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

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The Steve Levy Website

The Public Sector: Where Management Negotiates Against Itself

timesunion.com

Nov 9, 2015

by Steve Levy



Published in the Albany Times Union

In his recent book *Government Against Itself*, Manhattan Institute Senior Fellow Dan DiSalvo, brilliantly underscores how municipal unions have managed to get elected representatives to do the union's bidding at the expense of the general public they were supposedly elected to represent.

The unions get to focus on their singular issues, while the general public is distracted with everyday life. The endorsements and monetary contributions that flow from the union to the elected officials further enhance the disproportionate impact the union holds on public policy. Elected officials – who were supposed to be managers for the taxpayers' money – are actually sitting at the negotiation table acting as advocates for the unions – who are supposed to be their adversaries.

This would never happen in the private sector, since giving the store away to the union would lead to unprofitability, and potentially the collapse of the entire corporation. When the company goes out of business, no one is helped, including the union members who would lose their jobs.

In the public sector, however, there is no profit margin and the elected officials will continue to keep their jobs because there will always be a public taxpayer who will keep the government running via higher taxes. Until, that is, it reaches the breaking point, as was the case with Detroit, San Bernardino, and many other cities that filed for bankruptcy lately.

If DiSalvo writes an addendum to his book, he should start with a chapter that exposes the hideous practice in some New York counties whereby taxpayers even foot the bill for union leaders to lobby full-time against the government. It is certainly understandable why union leaders would need time away from their designated civil-service jobs to perform the tasks necessary to run a union. And if the union dues pay for it, so be it.

The dirty little secret, however, is that some counties in this state have their taxpayers footing the bill for this union leave. And it can indeed be substantial. In Suffolk County for instance, it costs taxpayers over \$2 million annually to pay union members to free up their time do their lobbying. More ridiculously, the higher ups in the police unions have the taxpayers paying them for overtime money they could otherwise accumulate. One union boss was allowed to receive canine pay even though he wasn't assigned a dog.

A recent expose in Nassau County underscored the lax oversight provisions for granting outside contracts. It has led to a call for banning donations from county contractors to elected officials. It's interesting, though, that we rarely hear a call from pundits, elected officials or editorial boards to ban donations from municipal unions to the very same officials who will negotiate their contracts. Such a conflict of interest in the private sector would not only lead to your firing, but would likely be deemed illegal.

Many folks wonder how we ever could've gotten to the point where law enforcement personnel on Long Island are earning over \$225,000 a year, with \$150,000 pensions and over 100 paid days off a year. How did we get to the point where a bad teacher can do just about anything up to the point of committing murder and still keep his or her job? How did we get labor rules that pay employees of the quasi-governmental MTA double time for simply working on a different train on the same shift? How did we devise a system that often pays disabled police and firefighters more money for staying home than if they are actually working?

The answer is easier to understand once one considers the cozy relationship that municipal unions have with elected officials. Even Franklin Roosevelt, whom many consider the father of Liberalism in the 20th Century understood the dangers inherent in having elected officials being lobbied by municipal unions which can provide or withhold endorsements of their reelections.

As DiSalvo's book clearly notes, we truly have created a system where government is now working against itself. Or, stated another way, where government is now working so diligently against the very taxpayers it is supposed to be representing.

MAKING GOVERNMENT MORE TRANSPARENT

Few things are more infuriating to taxpayers than seeing elected officials promise them a tax cut days before the election, only to turn around the day after election and enact a tax increase. Yet, this is exactly what has been happening in Suffolk County, New York due to a flawed law that allows the legislature to vote on the budget the day *after* election.

Our Center has given a forum to Legislator Tom Cilmi, who has introduced legislation to require budget votes before election day.

Our Center has also joined Cilmi in his condemnation of the present practice that allows legislators to add amendments to the budget in a omnibus fashion, without attaching their names to the spending increase. This lack of accountability is one of the reasons budgets are able to balloon to unreasonable levels.

Our Center has also been critical of the policies that allow the legislators to vote on budget overrides in one single vote, as opposed to dealing with each spending increase separately.

With these types of laws on the books, is it any wonder why our taxes are so high. If taxpayers want to know where to go to make their government more transparent and accountable, they can start by seeking to change these archaic laws.

Intro. Res. No. 1503-2016
Introduced by Legislator Cilmi

Laid on Table 6/1/2016

**RESOLUTION NO. -2016, ADOPTING LOCAL LAW
NO. -2016, A CHARTER LAW TO IMPROVE THE COUNTY'S
BUDGET APPROVAL AND AMENDMENT PROCESS TO
INCREASE TRANSPARENCY AND ACCOUNTABILITY
("TAXPAYER AWARENESS ACT")**

WHEREAS, there was duly presented and introduced to this County Legislature at a meeting held on June 1, 2016 a proposed local law entitled, "**A CHARTER LAW TO IMPROVE THE COUNTY'S BUDGET APPROVAL AND AMENDMENT PROCESS TO INCREASE TRANSPARENCY AND ACCOUNTABILITY ("TAXPAYER AWARENESS ACT")**"; now, therefore be it

RESOLVED, that said local law be enacted in form as follows:

LOCAL LAW NO. -2016, SUFFOLK COUNTY, NEW YORK

**A CHARTER LAW TO IMPROVE THE COUNTY'S BUDGET
APPROVAL AND AMENDMENT PROCESS TO INCREASE
TRANSPARENCY AND ACCOUNTABILITY ("TAXPAYER
AWARENESS ACT")**

**BE IT ENACTED BY THE COUNTY LEGISLATURE OF THE COUNTY OF
SUFFOLK**, as follows:

Section 1. Legislative Intent.

This Legislature hereby finds and determines that the SUFFOLK COUNTY CHARTER ("CHARTER") establishes a timeline and mechanisms for the adoption of the County's operating budget.

This Legislature also finds and determines that the CHARTER currently requires that the County Legislature adopt an operating budget by November 10th of each year, with votes on the operating budget and amending resolutions traditionally occurring the day after Election Day.

This Legislature further finds and determines that the County Legislature should adopt an operating budget prior to Election Day so that County residents are aware of their legislator's positions on spending and taxing issues prior to voting.

This Legislature finds that the CHARTER also allows the County Legislature to amend the operating budget in an omnibus fashion, bundling hundreds of line item changes into a single resolution.

This Legislature determines that omnibus budget resolutions are generally developed by a group of legislators meeting in private sessions that are not open to the public.

This Legislature also finds that omnibus budget resolutions should not be crafted behind closed doors, but rather in meetings that are open to the full legislature and the public.

Center for Cost Effective Government
Month Day, Year
Dear {First Name},

Suffolk County Legislator Tom Cilmi is looking for reform-minded folks to appear before the legislature to advocate on behalf of two reform bills that he is promoting.

One bill would require the vote on the county budget to be conducted before, rather than after, Election Day. The second calls for the submission of a multi-year budget plan. The pre-election bill, IR 1503-16, will be heard in the Hauppauge Legislative Auditorium on Veterans Highway on Tuesday, November 22 at 2:30 PM. The multi-year budget bill, IR 1765-16, will be heard at the budget committee at the same location on Tuesday, November 15 at 10:30 AM.

If you would like to go to one or both of these meetings to speak, please email me back at this address or contact Legislator Cilmi's office at (631)854-0940.

Sincerely,

Steve Levy
Center for Cost Effective Government

Center for Cost Effective Government, 228 Barrett Avenue, Bayport, NY 11705
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CURBING EXCESSIVE UTILITY AND TRANSPORTATION COSTS

The high cost of living in New York is not just due to extraordinarily high taxes and housing costs; the state also has among the highest utility and transportation costs in the nation.

On Long Island, residents have been saddled with confiscatory electric rates for decades. In the 1960s and 70s, the former private, investor owned utility a private i name LILCO, the Long Island lighting company, planned to build a nuclear power plant in the north shore hamlet on Shoreham for \$65 million. Due to mismanagement and corruption, the plant ballooned to an outrageous cost of approximately \$6 billion by the late 1980s. By the late 1980s then Governor Mario Cuomo was crafting a deal to close the Shoreham plant by requiring the billions of debt to be paid back by ratepayers in their future bills. Management and bond holders were spared.

This past year, Governor Andrew Cuomo proposed using \$7 billion in taxpayer subsidies to bail out four floundering nuclear power plants in upstate New York. Our Center objected to this proposal. Ironically, the same natural gas surpluses that were fought so hard by the governor from being harvested, were the prime reason nuclear costs became non competitive. Our Center argued that if there were no bailouts for ratepayers when they were forced to absorbed the Shoreham debt, there should be no requirement that ratepayers now bail out these four upstate plants.

While there is no end in sight for increases to utility rates, the costs of commuting to work is likewise on a consistent and predictable upward path.

A sixty mile, one hour ride from Ronkonkoma, a mid-Suffolk County hamlet, to Mid-town Manhattan on the Long Island Rail Road is now a stratospheric \$325 per month. Our Center has been one of the few groups actively speaking out on behalf of the ridership. And we were among the few who sought to educate the public that future rates were going to be impacted greatly by the union contracts that were being negotiated.

Long Island Rail Road (LIRR) workers saw a whopping 27% increase in their salaries. These lofty wages are not the fault of the aggressive union leadership or the workers themselves who are now reaping the spoils of a crushing victory over MTA management in the last negotiation cycle. In our view, the fault lies with the politicians who tripped over themselves to show how supportive they were of the unions who contributed so generously to their campaign coffers.

During the course of the scrutiny brought upon the MTA throughout these investigations, a number a startling things surfaced:

*The MTA spent \$20 million for the construction of a lounge and \$7 million for a doghouse.

*Rail Road employees receive double pay for the day if they simply work on both a diesel and electric train that shift.

*Overtime is obtained for changing your clothes or washing your hands, and is based on seniority, leading to extraordinary last year salaries, which lead to ridiculous pensions.

*Employee costs at the MTA was 58% of its budget compared to 35% for a typical private transportation company.

*There were over 7,500 MTA employees who made over \$100,000 in 2010.

It was well known that this new contract would result in one of four workers earning six figures.

Where were the elected officials, the so called protectors of the taxpayers and the consumers, to expose the fact that this deal was going to blow a huge hole in the MTA budget that eventually will be made up by yet another sizable fare increase.

Our Center will continue to seek to shine the light on the lopsided contracts that are making a simple commute to work so cost prohibitive.

The Center is also taking the lead in seeking to educate New Yorkers about the inequitable manner in which transportation aid is distributed in the New York metropolitan area. Few people realize that federal aid is distributed through the states to localities, with much of the decision-making made by entities called Metropolitan Planning Organizations (MPO). In the New York City area the MPO is called the New York Metropolitan Transit Council (NYMTC) and is comprised of the Mayor's office and the county executives of seven surrounding suburban counties.

The MPO has great influence as to how the billions of dollars flowing from the federal government to the states make it to local jurisdictions. Our Center contends that the NYMTC has been skewered heavily toward favoring New York City projects at the expense of the surrounding suburbs. For instance, the overwhelming majority of the \$30 million slated for projects within the NYMTC area has been designated primarily to four major projects in New York City. They are the 2nd Avenue Subway, the 7th Avenue Subway, the Eastside Access project for the Long Island Railroad, and a proposed tunnel from New Jersey to New York City, which was placed on hold.

Each of these projects was projected to cost in the seven to eight billion dollar range. There were basically just crumbs left over for all of the major projects required in the other seven surrounding counties.

The Center has called for the creation of a separate MPO for the Long Island area. Long Island's population of three million would make it bigger than 20 other states across the nation. The Center maintains that the paltry amount of transportation aid Long Island garners is woefully below what a region of this size should be receiving

From: Steve Levy
Date: Dec 11, 2016, 5:19:17 PM
To: caval50

Center for Cost Effective Government

October 27, 2016

Dear members of the Long Island Delegation,

We respectfully request that you read the attached oped to the NY Post from the Empire Center and the oped from our Center for Cost Effective Government on the major utility bill increases Long Islanders will soon experience due to a new upstate nuclear bailout program promulgated by the state's executive branch.

The question raised in the Post article is whether state legislators will allow these major hikes to kick in without a fight.

The article from our Center asks that our Long Island delegation put the pressure on to make sure Long Island ratepayers get a bailout from state taxpayers for our defunct Shoreham nuclear plant before we subsidize any nuclear plants upstate.

Please let us know if you will take action on behalf of our over beleaguered ratepayers.

Sincerely,

Steve Levy

Center for Cost Effective Government

Center for Cost Effective Government, 228 Barrett Avenue, Bayport, NY
11705

Month Day, Year
Dear {First Name},

Attached is my recent article on cuts to county bus routes and the need for Suffolk to get its fair share of aid.

Thank you for your consideration.

Sincerely,

Steve Levy
Contact 631-877-0940

Suffolk shouldn't cut bus routes, but county deserves more state aid.
by Steve Levy

The cutting of several bus routes in Suffolk County is a major blow to many vulnerable poor and working-class Suffolk residents. It's not a move I would have made. In fact I turned the budget upside down many times to find the offsets necessary to ensure we would not only preserve our routes, but actually add new ones.

I do agree, however, with county officials on one thing in this area: the state reimbursement rate for Suffolk is unfair as compared to what Nassau and Westchester receive. I held numerous press events during my tenure to complain about this injustice, just as the present administration is doing. Because we receive so much less in state aid than neighboring counties, we in Suffolk are

forced to subsidize our system many times over what Nassau residents contribute.

This brings us to the discussion about the chicken and the egg.

State officials who rebuffed the county's request for a greater and fairer allocation of transit aid came up with two rationales to maintain the status quo inequities. Number one: they excoriated the present county administration for cutting the programs first and then daring the state not to fund them. On this note, the state legislature was right; it was a foolish gambit by the county that backfired. It didn't embarrass the state, it got their dander up.

This isn't to say that it's never worth pushing the envelope with a stubborn state apparatus. I did so with the highway patrols. But there, I knew if the state refused to fund the patrolling of their own highways, I had a plan B - place County sheriffs there. This would still be much cheaper than Suffolk police. The county didn't have a plan B for these routes if the state ignored them.

(Side note to current county officials: Put the sheriffs back on the LIE and Sunrise and you'll have enough left over money to bring back the bus route you cut.)

The other rationale to thwart Suffolk's demand was that Nassau should get more because it has more riders. But this overlooks any analysis of the real question. Couldn't it be said that Nassau has more riders precisely because it gets so much more money from the state? (Therein lies the chicken/egg debate.) Give that same kind of money to Suffolk and watch its ridership increase.

Now, in fairness, we must recognize that the efficiency of a transit system is in large part correlated to the density of the population it serves. Growing up in Queens, I would walk down the stoop, and shuffle 50 feet to the corner bus stop. Then again, there were hundreds of people living on that block alone. When I moved to Suffolk, I realized I would have to drive my car, or get a lift, to even get to the bus stop.

Since Suffolk has about the same population as Nassau, yet three times the landmass, it will always be harder to match Nassau's efficiency in transit.

But Suffolk's 1.5 million population is larger than all but six American cities. It's time that state and federal aid to our transit system reflects that basic fact.

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"

Center for Cost Effective Government, 228 Barrett Avenue, Bayport, NY 11705

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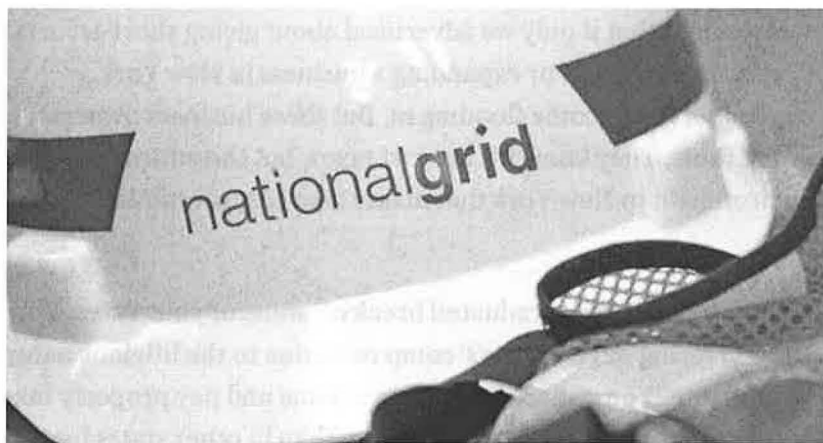
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Steve Levy
President
Common Sense Strategies

Home / Commentary / Levy: Rising utility rates show system rigged against ratepayers



AP Photo

Levy: Rising utility rates show system rigged against ratepayers

By: Steve Levy August 17, 2016

Comments Off on Levy: Rising utility rates show system rigged against ratepayers

I just don't get it. Where's the outrage? Our two largest utilities on Long Island just proposed crushing rate increases and the general reaction has been a big yawn.

National Grid has proposed a humongous 24 percent gas delivery rate increase and PSEG is asking for a rate hike to make up for lost revenue because – get this – we residents have been too good at conserving energy.

On top of this, National Grid wants a 33 percent increase for investigating and mitigating toxic spills, many of which the utilities caused, and PSEG wants a separate 18 percent increase for its fuel power supply costs.

Grid's ghastly proposed increase was barely reported. Some will say that these increases relate only to a portion of a ratepayer's total bill. But to put this into perspective, the \$16 per month increase in the delivery fee proposed by Grid would amount to a sum (\$192 annually) that is almost twice as large as what average taxpayers pay for their entire Suffolk County General Fund tax bill.

Energy costs on Long Island are among the highest in the nation. And while most pundits harp on property taxes and housing costs as the major impediments to residents and companies remaining here, utility rates play a significant role as well.

It is one of the reasons the hundreds of millions spent on the Start Up New York and similar campaigns have been such failures. It was thought that if only we advertised about giving short-term tax breaks on moving to or expanding a business in New York, applicants would come flooding in. But these business owners aren't fools. They know it's not just taxes, but the entire economic environment in New York that makes it so cost prohibitive to exist here.

So you get a 10-year graduated break on some of your taxes. You are still facing huge workers' comp costs due to the litigious nature of our state. You still have to live in a home and pay property taxes that are often \$10,000 more annually than in other states because of the never ending burdensome mandates foisted upon your schools and local governments by Albany.

There are surcharges levied on your payroll to pay for the excessive salaries, pensions and benefits at an MTA that is falling apart.

Of course, there are electric rates that siphon profits from businesses and any remaining disposable income from renters and homeowners.

Much of the higher electric costs we pay are related to debt on the Shoreham nuclear power plant and the deals made by both governors Mario Cuomo and George Pataki. Cuomo's agreement left ratepayer holding the bag for the billions in over-runs at the plant, while bond holders were bailed out. Pataki's LIPA deal incorporated huge and unnecessary upfront borrowing in order to push payback obligations out to future administrations to create the illusion that rates were being stabilized as the election loomed.

Donald Trump and Bernie Sanders coasted upon a big wave based on the theory that many of our institutions are rigged. But what

could be more rigged than the rate-setting schemes for our utilities? Use too much fuel and our rates go up. But conserve too much and that leads to lesser-than-expected revenues for the company, and rates go up anyway.

In the private sector, with real competition, if your company over-estimates revenue or under- estimates expenditures, your profits suffer. Yet in our quasi-monopolistic utility structure, mistakes by our utilities are simply passed off to the ratepayers. Unless there are consequences felt by shareholders for mismanagement, nothing will change.

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

Weren't We Already Taxed Billions to Protect Our Water?

Posted by SouthShorePress on May 3, 2016

• Op-Ed by Steve Levy

So now there is a new proposal to tax our water to the tune of \$75 million annually to protect the quality of this precious resource. But why isn't anyone asking what happened to the billion dollars we were taxed for over the past 40 years to do the same thing. Yes, that's a billion with a B. Since 1975, Suffolk residents have been shelling out sums greater than from any other American locality in response to those who claimed if we didn't accede, we'd be drinking water as polluted as that in Flint, Michigan. So we ponied up. And now they're saying we have to do it all over again?

While most everyone is jumping on the bandwagon on what they claim is a marvelous, visionary form of new taxation (which cleverly gives politicians credit, but places the tax on the Water Authority's bill), has anyone asked the questions as to what our present quality is, or what our reserves are, and how long they'll last? The reports I've seen from impartial analysts state that our water quality is actually very good. And our reserves are massive. In fact, we've yet to tap all of the many levels of aquifers that have accumulated since the glacial melt.

Yes, nitrogen levels are increasing. When we hear there was a 40% increase in such levels in one area, what is the context? Does that exceed safe drinking levels or is it from such a low base that it is still a hundred times under a level of concern?

The immediate concern is predominately in surface waters – our bay, sound and rivers. This can be addressed by constructing new sewers and upgrading existing ones. The state is passing through hundreds of millions from Sandy aid to do just that.

In 2010, I passed a landmark law enhancing our sewer network. Unfortunately, it was revoked by a later administration.

Environmental extremists inaccurately stated the program siphoned money from a clean water fund, but actually, the money was from a surplus existing in a fund intended only to stabilize sewer rates. The \$100,000,000 plus surplus was evidence that the public had been overtaxed to stabilize rates already stabilized. Additionally, over the last four years the county has overtaxed residents of the South West Sewer District by \$150,000,000 for debt service even though their debt was retired in 2011. And now, is there an attempt to overtax us again?

I have always been a big supporter of our open space program. (My administration preserved over 8,000 acres.) It preserved our rural character, which is essential for our tourist economy – especially on the East End. But it was also sold to us by environmentalists as a way to preserve pools of clean water for generations to come. Was this all just a big scam?

I write this article not to bash the county politicians promoting the proposal. It's always easier to do nothing and play it safe. By the same token, employing diligent cost benefit analysis is crucial given these huge numbers. Is there a sunset provision or is the tax in perpetuity? Will the present 1/4 cent environmental sales tax stay in effect as well? And most important, will it bring about the desired results? Shouldn't taxpayers know they may be asked to spend \$25,000 for a septic system upgrade? (Loans or partial grants won't cut it.) Or that alternative systems fail 35% of the time?

Remember, interior beaches are closed after heavy rains due to salts and fertilizers that are washed into the water. Perhaps controlling fertilizers is a much more effective and inexpensive solution. Or perhaps fixing our leaking sewer pipes might be better than other alternatives. Shouldn't all this stuff first be studied more thoroughly to arrive at a consensus on the extent of the problem and what the most realistic, cost effective solutions are?

And let us be leery of studies by those who will tend to gain financially by scaring people to death and calling for hundreds of millions in more taxes. Regarding such discussions years ago, one Water Authority official noted, "Arguments are being made on a political and emotional level that really don't have anything to do with science." Could this be Deja vu all over again?

Advocates will say it's only \$73 per year. But that's on top of our schools saying their latest bond was only \$240 more a year, etc, etc.

And by the way, the \$75 million is equivalent to a 150% increase to our county general fund levy.

Let's be smart and deliberate. Let's keep our minds open, but above all, let's get our facts straight before we ask our already over beleaguered taxpayers to pony up once again.

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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Steve Levy: Huge LIRR pay hikes should be no surprise

By: Steve Levy August 3, 2015 Comments Off on Steve Levy: Huge LIRR pay hikes should be no surprise

Hearing that Long Island Rail Road workers saw a whopping 27 percent increase in their salaries (including pension) was no surprise. It was laid out quite clearly by numerous commentators, including yours truly in a LIBN article. The problem was that no one in power seemed to care.

The fault lies not with the workers but with the politicians who tripped over themselves to show how supportive they were of the unions who contributed so generously to their campaign coffers.

What was amazing about the union victory was that it came after investigators uncovered a cottage industry providing disability pensions to 97 percent of all retired Long Island Rail Road employees. You would think elected officials would have been itching to tighten the Metropolitan Transportation Authority's archaic work rules and practices.

This is the same MTA where:

- \$20 million was spent for the construction of a lounge and \$7 million for a doghouse.
- LIRR employees receive double pay if they simply work on both a diesel and electric train in the same section.
- Overtime is obtained for changing your clothes or washing your hands.
- Employee costs at the MTA were 58 percent of its budget compared to 35 percent for a typical private transportation company.
- Over 7,500 MTA employees made over \$100,000 in 2010. Last year 131 made over \$200,000.

It was well known that this new contract would result in one of four workers earning six figures.

After all this, wouldn't you think that our elected leaders would be fighting for the taxpayers in this particular negotiations? The silence was deafening. Oh they commented alright, but it was almost always a demand both sides get together and work out a deal to avoid a strike.

So fearful was the governor of having a strike on the eve of his election that he actually pressured MTA management to cave. That they did.

The union sought a six-year, 17 percent increase and wound up getting a 17 percent (actually 18.4 percent compounding) increase over 6½ years, with no work rule reforms.

Where were the elected officials, the so-called protectors of the taxpayers and the consumers, to expose that this deal was going to blow a huge hole in the MTA budget that eventually will be made up by yet another sizable fare increase?

The union got what it wanted, Cuomo avoided the strike and got reelected and MTA management, which credit, fought the good fight (albeit alone), is still collecting its salaries.

The only losers are the thousands of commuters who have to be wondering why they continue to stick around a cost-prohibitive state led by pandering politicians.

Levy is president of Common Sense Strategies, a political and business consulting firm. He served as Suffolk executive from 2004-2011.

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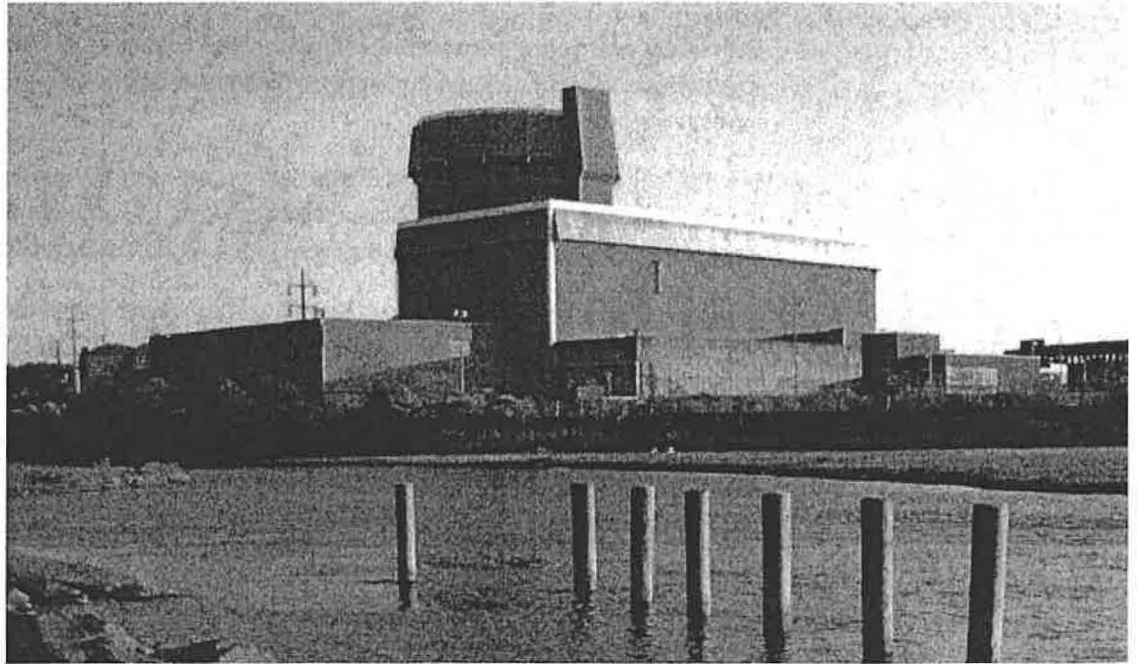
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Shoreham Nuclear Power Plant

Steve Levy: A tale of two Cuomos and two nuke bailouts

By: Steve Levy October 4, 2016 1 Comment



**Steve
LEVY**

When Mario Cuomo closed the Shoreham Nuclear Power Plant for good, he bailed out the utility bondholders to the tune of \$6 billion. Now, we see that Andrew Cuomo has effectuated his own nuclear bailout, funneling \$7 billion in taxpayer funds to shield bondholders from massive losses materializing at several upstate nuclear plants on the eve of closure.

While Mario's shuttering of Shoreham made hundreds of headlines, Andrew's bailout has pretty much gotten off the radar.

Mario's deal was born out of promises he made to ardent activists he encountered on the campaign trail. Long Island was the swing electoral region in the state at the time. It was not inconceivable back then that a Democrat could actually lose a statewide election.

Candidate Mario Cuomo came upon a firebrand civic leader, Laura Manzi, who was rallying her troops to demand the closure of a prison the state had propped up in the Brentwood community. Sensing this was a tipping point issue, Cuomo made the commitment to close the prison if elected. He was and he did.

As Mario was heading toward his re-election effort, he was confronted with an even stronger force – the Shoreham movement. They were fiercely engaged, well-funded and backed by a very influential local newspaper publisher, David Willmott of Suffolk Life. As importantly, they were aligned with the local government itself – the Suffolk County Legislature, of which I was a member at the time.

Shoreham dominated everything in the late 80s. Long Island was becoming even more of a crucial swing this point, so Cuomo made the promise to close the plant. But rather than forcing closure for safety reasons, letting the Long Island Lighting Company implode due to its mismanagement, the then-governor surprised everyone by enticing the bondholders and financial regulators to sign on to the plan by over-inflating the value of their assets. The utility and its bondholders, who were saddled with a \$6 billion debt, would now have the albatross of arrears passed off totally to the ratepayers. Forty years later, we are still paying for that bailout.

But why would Andrew go down the same path? This, too, had to do with campaign promises. Andrew promises the greens that New York is going to have 50 percent of its power generated by renewable energy sources but this is impossible to accomplish through solar and wind power alone.

But nuclear energy is expensive too, especially when compared to plentiful natural gas. In fact, it is the stratospheric influx of cheap natural gas on the market that has made these nuclear plants seem even less attractive economically.

But rather than let the less expensive alternatives take root, the governor proposed a massive \$7 billion bailout to ensure the inefficient nuclear plants can keep the uranium flowing. The governor gets to tell the workers upstate that he has saved their jobs – at a cost of an incredible \$7,000,000 per job.

Especially galling to Long Islanders is that while they will pay significantly to subsidize the upstate plants, required to fully bailout their own Shoreham plant with no assistance from any other taxpayer or ratepayer parts of the state.

Here's an idea: If Long Island legislators are going to allow for the upstate nuclear bailout, shouldn't they first insist that the rest of the state help relieve Long Island ratepayers from carrying the full load of Shoreham?

The nuclear bailout also allows the governor to brag to the greens that he is attacking the fossil fuel scourge.

But it's not coal that's undercutting the nukes; it's natural gas. The same natural gas, that is so much cheaper than coal or oil, is a significant reason U.S. carbon emissions have been cut so dramatically over the last decade.

Thanks to these two new nuclear plant bailouts from two different administrations, taxpayers and ratepayers in New York, and Long Island in particular, will be wearing this nuclear albatross for more decades to come.

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."

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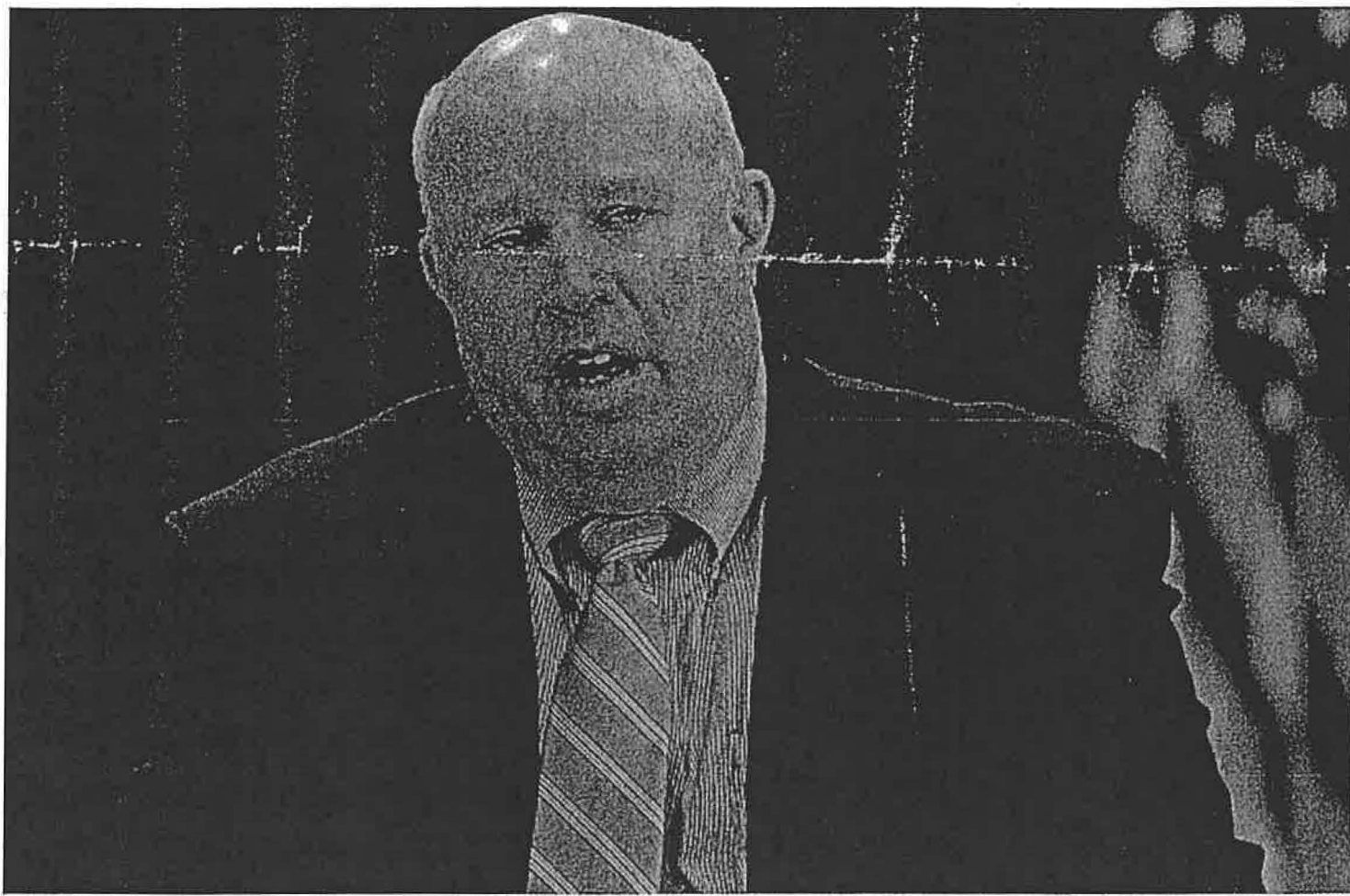
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ASTH-C2

MTA fat cats making more with overtime than their chairman

By Danielle Furfaro

March 9, 2016 | 2:40pm



MTA chairman Tom Prendergast pulled in \$346,707 last year -- and he wasn't the highest-paid MTA employee.

Photo: Natan Dvir

An MTA worker with the job title "model-surfacing instructor" was the agency's highest-paid employee in 2015 — and one of 10 overtime fat cats to make more than \$300,000, a government watchdog has found.

Donald Pritchett, who is assigned to Metro-North, pulled in \$399,006 last year, even though his base salary is only \$110,240, according to a report by the Empire Center.

Long Island Rail Road track foreman Joseph Ruzzo took home \$333,128 last year, which is more than three times his regular rate of pay of \$97,760. And Metro-North track supervisor Robert O'Connell pulled in \$355,754 with OT, up from a total income of \$262,112 in 2014.

The MTA paid out \$876 million in overtime last year, a rise of 11 percent from the previous year, according to the report.

Empire Center analysts blamed the sky-high paychecks on ironclad union contracts. For example, if an employee works at two depots in one day, they get paid for an extra day, according to Empire Center officials.

"These overtime figures are a direct result of the nature of the contracts that the MTA agencies have with their unions," said policy analyst