

# NASSAU COUNTY, NEW YORK

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## **PRESENTATION TO THE LEGISLATURE**

### **FY2020 BUDGET UPDATE**



August 10, 2020



# FY2019 FINANCIAL RESULTS

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- The GAAP surplus at the end of FY2019 in the County's three primary operating funds (General, Police District, and Sewer and Storm Water) was \$145 million
- The County ended 2019 with a positive unassigned fund balance in its primary operating funds of \$112.2 million (as compared to a negative \$22.0 million at fiscal year-end 2018)
- The fund balance in the three primary operating funds grew from \$71.6 million to \$216.9 million

# NASSAU COUNTY FACES A DEFICIT OF \$385 MILLION FOR FY2020



<b>Expenses</b>		<b>FY2020</b>
Salaries	\$	873,757,869
Fringe Benefits		587,753,947
Local Gvt Assistance		60,840,853
Transportation		180,581,778
OTPS		236,414,459
Debt Service		397,236,425
Direct Assistance		544,230,723
Other		621,315,509
<b>Total</b>	<b>\$</b>	<b>3,502,131,563</b>
 <b>Revenues</b>		
Sales Tax	\$	1,014,969,253
Property Tax		821,407,785
State Aid		184,404,488
Federal Aid		172,301,710
Department Revenues		145,724,283
Other Revenues		778,528,496
<b>Total</b>	<b>\$</b>	<b>3,117,336,015</b>
 <b>GAP</b>	 <b>\$</b>	 <b>(384,795,548)</b>

FY2020 data from Monthly County Budget Report For the Period Ending June 30, 2020

# FY2020 BUDGET AS OF JUNE 2020

## COVID-19 IMPACT ESTIMATE

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### REVENUE ASSUMPTIONS

- SIGNIFICANT IMPACT OF COVID-19 IN Q2 AND A PARTIAL RECOVERY IN Q3 & Q4
- ASSUMPTIONS
  - Sales Tax
    - 20% decrease
  - Property Tax
    - No Budgetary Impact but impacted the cash flow borrowings.
  - State Aid
    - 15% decrease Countywide and additional State Aid due to Raise-the Age Program not expected to start this year
  - Federal Aid
    - \$33.1m increase due to funds received for COVID Relief/Cares Act for NICE Bus Service offset by anticipated decreases of Federal Aid in other areas
  - All Revenues Unless Specified Below
    - Estimates based on Q1 actuals
    - Q2 - reduction of 50% of budgeted 2020 revenue
    - Q3 & Q4 – reduction of 25% of budgeted FY2020 revenue

**TOTAL REVENUE DEFICIT: \$443 MILLION DECREASE**



# FY2020 BUDGET AS OF JUNE 2020

## COVID-19 IMPACT ESTIMATE

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### EXPENSE ASSUMPTIONS

- Salaries and Fringe
  - \$55 million savings due to vacancies and health insurance costs offset by anticipated hiring, promotions, step increases and higher overtime and termination payments
- Local Government Assistance
  - Savings proportional to sales tax collections
- OTPS
  - \$13.6 million additional costs driven by COVID-19 and IT needs
- Emergency Vendor Payments
  - \$3.9 million additional costs due to anticipated Shelter care and Room and Board cost increases
- Medicaid
  - \$9.1 million of FMAP saving

**TOTAL EXPENSE SAVINGS: \$58 MILLION SAVINGS**

**REVENUE DEFICIT: \$443 MILLION DECREASE**

**EXPENSE SAVINGS: \$58 MILLION SAVINGS**

**\$385 MILLION 2020 BUDGET GAP**



# FY2020 GAP CLOSING PLAN

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**TOTAL FY2020 GAP AS OF AUGUST 10 : \$385 MILLION**

## **REVENUE ACTIONS**

FY19 Surplus	\$112 million
CARES Act Funds - Nassau County	\$103 million

## **EXPENSE ACTIONS**

PEG Program	\$25 million
Litigation Fund	\$23 million
Workers Compensation Fund	\$15 million
NIFA Debt Service Savings	\$75 million
Capital Closeouts	\$32 million

**FY2020 TOTAL GAP CLOSING PLAN: \$385 MILLION**



## CURRENT EVENTS

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### REVENUE

OTB – VLT payments	\$4.8 million
Federal Aid -SCAAP	(\$3.0) million

### EXPENSE

TERMINATION PAY	\$1.5 million
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<b>NET CHANGE</b>	<b>\$0.3 Million</b>
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