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Office of the Nassau County Comptroller

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Comptroller's Mid-Year Financial Report Projects Improved Budget Performance

Report outlines specific risks and opportunities that will impact county's financial trajectory

Mineola, NY – Nassau County Comptroller Jack Schnirman today released his Office's annual Mid-Year Financial Report, which finds the County is projected to finish 2019 with a \$4.6 million deficit in its primary operating funds compared to a \$27.5 million deficit at the end of 2018.

“Our report and analysis show the County's budget performance is projected to improve throughout the rest of 2019. As we said when we released the 2018 numbers, however, we must carefully monitor the factors that led to that improvement to determine if they are sustainable,” Schnirman said. “We've taken a conservative approach in our projections and laid out in the report the positive and negative factors that can still impact the County's financial trajectory throughout the rest of 2019. We release reports like these so that stakeholders can make better informed decisions during the rest of 2019.”

Projected improvements in the County's budget performance were largely driven by less spending on workforce-related costs. The County is projected to finish 2019 \$66.7 million under budget on personnel costs, even when somewhat higher increases in overtime are factored into the analysis. In addition to salary savings, the ripple effects from a smaller workforce have also reduced the County's overall healthcare and pension costs.

The second largest positive driver noted in the Comptroller's Office projections was the receipt of an upfront discounted payment from New York State in exchange for assuming a portion of the State's worker's compensation liability. This funding, however, is a one-time non-recurring cash receipt.

“During the upcoming months, our office will be updating our calculations of the County's structural deficit, which will give us a clearer picture on the progress of the County's financial situation. Until then, we will keep tabs on the risks outlined in our report,” Schnirman said.

The largest single financial risk identified in the Mid-Year Financial Report is \$17 million in missing budgeted revenues from the Nassau Off Track Betting corporation.

“The missing payments from OTB represent a threat to the County's financial condition and I have directed my staff to further examine this issue,” Schnirman said.

The Comptroller's Office is currently projecting sales tax revenues to come in \$8.5 million under the adopted budget.

“Sales tax revenue is the County’s single largest revenue source, and although it continues to grow year-over-year, it is not currently keeping up with what was originally budgeted,” Schnirman said. “While we remain cautiously optimistic that the collection of new internet sales taxes will help bolster revenues, we were pleased to see that the County Executive’s Office has already revised its forecasted figures to better match the trends we are seeing.”

Projected financial risks identified in the report’s projections include:

- \$17 million in budgeted OTB revenues that have not materialized
- \$13.7 million shortfall in departmental revenues
- \$10.4 million shortfall in revenues from fines and forfeitures
- A \$8.5 million gap in sales tax revenues from what was originally in the adopted budget
- A \$8.4 million decrease in federal and state aid
- \$5.5 million in additional contractual costs primarily comprised of the Corrections Center contract with NHCC

The entire report can be found online [here](#).