



NASSAU COUNTY LEGISLATURE

Office of Legislative Budget Review

Review of the Proposed Fiscal Year 2027 Budget & Multi-Year Plan

Executive Summary

Maurice Chalmers, Director

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Director
Office of Legislative Budget Review



NASSAU COUNTY LEGISLATURE

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Inter-Departmental Memo

To: Hon. Howard J. Kopel, Presiding Officer
Hon. Delia DeRiggi-Whitton, Minority Leader
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director
Office of Legislative Budget Review

Date: October 5, 2026

Re: Executive Summary

Pursuant to §183 of the Nassau County Charter, the Office of Legislative Budget Review has prepared a preliminary analysis of the County Executive's proposed operating budget for Fiscal Year 2027 and Multi-Year Plan. Our report is made up of two parts: the enclosed Executive Summary and a Departmental Analysis.

I would like to thank the County Executive's financial team for their cooperation during this process. As always, my staff and I remain ready to provide whatever assistance the Legislature may require during the budget process. This document will be made available to your constituents at <https://www.nassaucountyny.gov/2384/Budget-Documents>.

Table of Contents	ii
1. Executive Summary	1
2. Labor	26
3. Fringe Benefits.....	31
4. Sales Tax	42
5. Fund Balance and Reserves	45

1. EXECUTIVE SUMMARY

Introduction

Pursuant to the County Charter, the Administration submitted its FY 27 Proposed Budget on September 15, 2026. Since 2011, the Nassau Interim Finance Authority (NIFA) according to its statute in §3669 imposed a control period upon determining that there was a substantial likelihood and imminence of a Major Operating Funds deficit of one percent or more. Based on its past financial results, the County disagrees with the control period. The Executive summary, section one of this report, can be broken into three parts; the first summarizes the major highlights, followed by the risks and ending with the budget-to-budget changes.

The Proposed FY 27 Budget contends with rising expenses compared to the prior year budget, some of which the County has no control over, but still necessitating corresponding revenues to remain balanced. Wages and fringe benefits account for approximately 49.0% of the expense increase and entitlement programs an additional 31.1%.

The proposed budget does not increase property taxes in the Major Operating Funds but decreases the Environmental Bond levy by \$1.0 million. The budget includes the use of \$43.5 million in reserves to maintain balance. The Administration states in its executive summary that: “the use of reserves has provided fiscal flexibility, allowing the County to dedicate additional resources to law enforcement agencies while maintaining a balanced budget and multiyear plan”. They reference the State Comptroller stating that “establishing reserves and setting funds aside has several benefits. Most notably, it allows municipalities to stabilize taxes and maintain services without budget cutbacks in challenging times”. This sentence summarizes the Administration’s approach and policy decision in drafting the budget.

Although reserve balances have decreased from the prior year, using September as a point in time, County finances still benefit from healthy reserve levels and that availability provides assurance that all its budget obligations will be met. This is illustrated in Table 1.0 below:

Table 1.0: Reserve Balances

	September 2025 Reserve Balances (millions)	September 2026 Reserve Balances (millions)	Change
Funds			
Bonded Indebtedness Reserve Fund	\$82.7	\$66.0	(\$16.7)
Capital Reserve Fund	9.4	10.3	0.9
Employee Bene Accrd Liab Reserve Fund	87.7	90.2	2.5
Litigation Fund	330.5	222.9	(107.6)
Operating Reserve Fund	131.1	140.0	8.9
Retirement Contribution Reserve (Gen)	88.3	90.9	2.6
Sub Total:	729.7	620.3	(109.5)
American Rescue Plan	0.4	2.6	2.2
Disputed Assessment Fund	49.9	55.3	5.4
Opioid Litigation Settlement	84.0	78.9	(5.1)
Grand Total:	\$864.0	\$757.0	(\$107.0)

The Proposed FY 27 Budget remains cognizant of exposures and has appropriated \$373.2 million in reserves that it may tap into should the need arise. This is illustrated in Table 1.1 below:

Table 1.1: Appropriated Reserves

	Amounts Appropriated By Year			
	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<u>From Reserves:</u>				
Bonded Indebtedness Reserve Fund	45,000,000	-	-	-
Capital Reserve Fund	2,000,000	2,000,000	2,000,000	2,000,000
Employee Bene Accrd Liab Reserve Fund	25,000,000	5,000,000	10,000,000	5,000,000
Litigation Fund	101,000,000	-	-	-
Operating Reserve Fund	82,500,000	18,000,000	18,000,000	21,500,000
Opioid Litigation Settlement	15,500,000	-	-	-
Retirement Contribution Reserve (Gen)	75,000,000	21,000,000	15,000,000	26,500,000
Sewer and Storm Water District Fund	27,206,390	14,051,780	6,391,102	6,482,554
Technology Fund	-	-	-	-
Total:	\$373,206,390	\$60,051,780	\$51,391,102	\$61,482,554

The FY 27 Proposed Budget has been drafted in an environment of economic uncertainty and volatility while absorbing large expenditure increases, making the challenges sizable. The use of the reserves is a policy decision. Appropriating \$373.2 million, all but guarantees that all the budgetary expenses will be met in case of expense overruns and/or a downturn in the economy. It is anticipated that only a small portion of the appropriated reserves will be used. However, OLBR agrees with warnings that the out-years will be a greater challenge as subsequent budgets may not have as many reserves to rely on. Expenses will need to be curtailed, or revenues enhanced to maintain the same level of fiscal flexibility.

The County is in a good position to face potential challenges, because it has accumulated large reserves, which stand at approximately \$757.0 million (including DAF and Opioid), and that has been seen favorably by rating agencies. The opposite is equally true for the usages. While the appropriated amounts are significant relative to the reserve balances, this does not mean they will be used, but instead they will provide a safety net to the budget should risks materialize. The continued strategic approach to County finances will be needed to avoid cost overruns and address revenue sources that may diminish.

County finances rely on many revenue sources that are sensitive to economic trends and this needs to be at the forefront of policy decisions. The largest revenue source for the County is sales tax, which has been a cornerstone of County finances representing 45.3% of all revenues. The FY 27 Executive Budget proposes \$1,713.2 million in sales tax revenue, with no budgeted deferrals. This amount represents an annual growth of 2.9% over OMB's current FY 26 projection.

Table 1.2 on the next page shows the proposed FY 27 sales tax budget and the estimates for the remaining years of the Multi-Year Plan. The Plan assumes growth of 3.3% in FY 28 and 3.0% in both FY 29 and FY 30.

Table 1.2: Proposed Sales Tax Budget Calculations and Multi-Year Plan

(figures in millions)

2026 OMB Projected	2027 Budget without Deferrals	2028 Budget without Deferrals	2029 Budget without Deferrals	2030 Budget without Deferrals
1,664.8	1,713.2	1,769.1	1,822.2	1,876.9
	2.9%	3.3%	3.0%	3.0%
OMB's Calculations and Proposed Budget and Plan				

Recent national and regional forecasts indicate continued economic growth for Nassau County in FY 26, FY 27, and FY 28. A survey of current U.S. Gross Domestic Product (GDP) forecasts projects average national growth of 2.0% in FY 26, 2.1% in FY 27, and 2.0% in FY 28.

By comparison, Moody's August forecast projects regional growth of 1.9% in FY 26, 1.8% in FY 27, and 1.9% in FY 28. Table 1.3 below summarizes the current forecasts.

Table 1.3: Survey of Current U.S. GDP Forecasts

Current Real US GDP 2026 - 2028 Forecasts			
	2026	2027	2028
Fannie Mae	2.0%	2.5%	N/A
Mortgage Bankers Association	1.8%	1.7%	1.8%
Federal Reserve Bank - Phil.	2.1%	2.2%	2.1%
The Conference Board	1.9%	1.8%	2.0%
Wells Fargo	2.3%	2.5%	N/A
Average US GDP Forecast	2.0%	2.1%	2.0%
Moody's GCP Forecast	1.9%	1.8%	1.9%

Because year-to-date sales tax collections have exceeded Moody's and US GDP forecasts, OLBR considers the Administration's approach to be reasonable. The year-to-date growth is **4.1%** through September. However, if economic indicators are correct, and receipts grew by the 2.1% consensus GDP forecast, collections could fall approximately \$21.4 million short of the FY 27 Proposed Budget. However, an opportunity may exist if the current growth continues to outpace economic predictions. An in-depth analysis of sales tax is included in Section 4 of this report.

The Proposed FY 27 Budget has 36 full-time positions more than the previous year's budget. These positions are mainly in the Police Department. Except for the Civil Service Employees Association, Inc. (CSEA) which has a Memorandum of Agreement (MOA) that will be in effect through December 31, 2030, all other Labor Union contracts have officially expired. The sunset agreements that were in effect had their last Cost of Living Adjustment (COLA) in July 2025 and this applied to the Police Benevolent Association (PBA), the Police Detectives' Association (DAI) Inc., the Superior Officers Association (SOA) Inc., the Correction Officers Benevolent Association (COBA) and the Investigators Police Benevolent Association (IPBA). It is anticipated that new agreements will be presented to the Legislature this month once they are ratified. At that point, all the details will be known. Any MOA will have additional salary costs which the Administration anticipated and built into the Proposed FY 27 Budget.

Within salaries alone, there is \$23.0 million in Police Sworn COLA and an additional \$5.0 million in COBA adjustments codes that are clearly earmarked for the potential MOU extensions. Table 1.4 below summarizes these amounts:

Table 1.4: Funding for MOU

	2027 Proposed Amount
AAZRW-POLICE SWORN COLA	23,000,000
AAZZK-SHOA/COBA ADJUSTMENT	5,000,000
	28,000,000

The budget funds 588 full-time open vacant positions which can be seen in Table 1.6 on the next page and have been valued at approximately \$35.0 million in the budget. Although the Administration could move quickly to hire many positions, there is a high probability that not all the titles will be filled for the entire year.

There are many departments with vacancies and it will be up to the Administration to ensure that there are no service disruptions and that departments are able to meet all their operating obligations. This situation has been amplified by the recent success of the Voluntary Separation Incentive (VSIP) which has led to approximately 594 employees taking the retirement package. Now, these positions will need to be evaluated and backfilled in a labor environment where this may not be done easily.

The longer a position remains vacant, the more savings will be generated from not filling that position. This may become an additional savings opportunity that the Administration could use to cover unbudgeted costs such as overtime.

In addition, the inclusion of \$27.0 million in savings to be achieved adds additional fiscal pressure to the budget as these will need to be achieved or covered should it not all come to fruition. In FY 26, these salary savings were anticipated from the VSIP.

Table 1.5: Salary Savings

	2027		
	2026 Budget	Proposed	Difference
Savings From Initiatives	\$ 37.0	\$ 27.0	\$ (10.0)

Table 1.6: Full-Time Staffing Comparison

Full Time Major Funds Staffing Comparison						
Department	2026 NIFA Adopted Headcount	2026 Sept Onboard Headcount	2026 Sept Onboard Salaries	2027 Proposed Headcount	2027 Proposed Salaries	Variance 2027 Proposed vs. 2026 Sept Onboard
Assessment	160	91	8,500,348	160	9,731,794	69
Asian American Affairs	6	3	302,400	6	452,500	3
Assessment Review Commission	58	54	5,651,171	58	6,026,899	4
Board of Elections	160	123	11,057,847	160	16,212,070	37
Civil Service	45	42	4,347,172	45	5,129,870	3
Office of Crime Victims Advocate	4	2	264,551	4	407,706	2
Comptroller	102	81	9,871,548	103	11,881,794	22
Constituent Affairs	12	11	1,374,867	12	1,438,467	1
Consumer Affairs	26	22	1,821,947	26	2,262,000	4
Correctional Center	943	796	74,739,715	943	91,018,669	147
County Attorney	91	84	9,684,973	91	9,940,564	7
County Clerk	90	79	6,062,771	90	6,610,678	11
County Executive	13	11	1,509,251	13	1,547,834	2
District Attorney	449	459	52,177,734	447	50,410,559	(12)
Emergency Management	3	3	313,302	3	313,302	0
Health	283	248	27,383,736	283	30,677,173	35
Housing & Intergovernmental Affairs	14	10	763,838	13	981,940	3
Human Resources	8	6	701,864	8	902,162	2
Human Rights	8	6	575,425	8	644,875	2
Human Services	62	56	5,328,096	62	5,757,198	6
Information Technology	122	113	11,616,285	122	12,899,001	9
Labor Relations	5	4	372,544	5	431,120	1
Legislature	94	88	8,965,845	99	9,999,990	11
Office of Hispanic Affairs	6	4	396,821	6	451,750	2
Office of Minority Affairs	13	13	1,087,035	13	1,087,035	0
Office of Management and Budget	34	33	3,625,591	34	3,697,971	1
Parks, Recreation and Museums	150	107	8,194,668	150	10,163,975	43
Probation	222	199	22,916,007	222	25,243,964	23
Public Administrator	6	5	455,167	7	651,029	2
Public Works Department	419	342	30,308,292	418	33,604,846	76
Shared Services	15	15	1,616,904	15	1,702,254	0
Records Management	10	5	551,448	10	649,133	5
Social Services	596	467	40,142,477	596	50,108,986	129
Traffic & Parking Violations	45	37	3,282,077	45	3,811,764	8
Treasurer	28	23	1,995,717	25	2,051,215	2
Veterans' Services Agency	9	7	593,690	9	747,380	2
General Fund Total	4,311	3,649	358,553,124	4,311	409,649,467	662
Fire Commission	128	109	10,202,901	128	12,168,693	19
Police District	1,756	1,742	185,541,713	1,794	210,493,283	52
Police Headquarters	1,702	1,533	186,363,584	1,700	213,663,790	167
Total Major Funds	7,897	7,033	740,661,322	7,933	845,975,233	900
Anticipated additional non-allocated Attrition	(312)	0	0	(312)	(27,000,000)	(312)
Total Major Funds including anticipated Attrition	7,585	7,033	740,661,322	7,621	818,975,233	588
Sewer & Storm Water (SSW)	71	49	4,240,315	71	5,370,520	22
Grand Total including Sewers*	7,656	7,082	744,901,637	7,692	824,345,753	610

Note: The September onboard total for Major Funds includes all FT employees.

Due to coding, Peoplesoft shows 2 more positions in Civil Service.

As mentioned before, the proposed budget includes no property tax increases in the Major Operating Funds. However, there is a decrease of \$1.0 million in the Environmental Bond. Below is a breakdown of the tax levy by fund:

Table 1.7: Proposed Property Tax Levy by Fund

Property Tax Levy			
Fund	2026 NIFA Adopted	2027 Proposed	Difference 2027 Vs. 2026
Fire Commission	706,251	706,251	0
General	3,500,000	3,500,000	0
Police District	528,956,314	562,548,433	33,592,119
Police Headquarters	222,100,572	188,508,453	(33,592,119)
Subtotal Major Funds	\$755,263,137	\$755,263,137	\$0
Sewers (SFA)	154,559,286	154,559,286	0
Total Major Funds & Sewers	\$909,822,423	\$909,822,423	\$0
Environmental Bond	7,215,633	6,215,633	(1,000,000)
College	52,206,883	52,206,883	0
Grand Total	\$969,244,939	\$968,244,939	(\$1,000,000)

The Assessment Review Department (ARC) has provided OLBR with the County's estimated outstanding property tax liability as of December 31, 2025, which shows \$292.7 million; this is an increase of 18.4% from the prior year and can be seen in the chart below.

Chart 1.0: Tax Certiorari Backlog

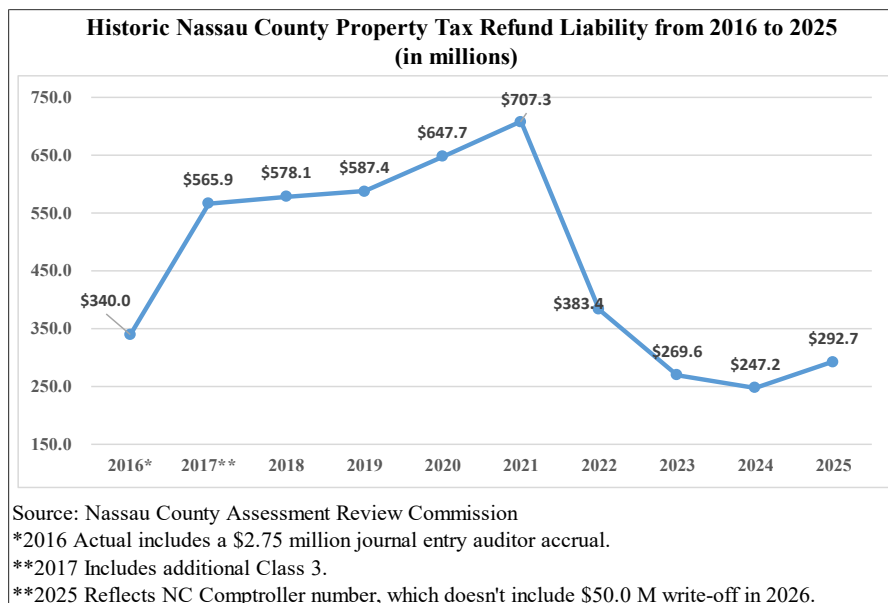


Table 1.8 below, further breaks down the liability by Class:

Table 1.8: Tax Cert Liability by Class

Annual Nassau County Property Tax Refund Liability by Class				
	2024	2025	\$ Change	% Change
Class 1	39.1	42.9	3.8	9.8%
Class 2	14.9	19.4	4.5	30.1%
Class 3	0.1	0.1	0.0	0.0%
Class 4	193.2	230.3	37.2	19.3%
Total	247.2	292.7	45.5	18.4%
Source: Assessment Review Commission				

Table 1.9 shows the expense and revenue components for the Sewer & Storm Water Resource District:

Table 1.9: Sewer & Storm Water Resource District Highlight (SSW)

Sewer & Storm Water Resource District			
Expense	FY 26 NIFA Approved Budget	FY 27 Executive Budget	FY27 vs FY26
Salaries	\$9,071,787	\$8,309,713	(\$762,074)
Fringe Benefits	7,588,805	7,612,706	23,901
Equipment	10,000	10,000	0
General Expenses	1,719,930	2,112,854	392,924
Contractual Services	86,913,812	87,481,086	567,274
Utility Costs	11,833,319	12,995,111	1,161,792
Interest	14,660,342	14,392,440	(267,902)
Principal	13,435,549	11,900,991	(1,534,558)
Interfund Charges	48,644,603	59,291,063	10,646,460
Other Expense	858,500	858,500	0
	\$194,736,647	\$204,964,464	\$10,227,817
Revenue			
Fund Balance	\$19,577,323	\$27,206,390	\$7,629,067
Permits & Licenses	750,000	850,000	100,000
Invest Income	5,400,000	5,400,000	0
Rents & Recoveries	11,025,800	11,025,800	0
Dept Revenues	1,603,000	1,603,000	0
Fed Aid-Reimb of Exp	5,000,000	7,500,000	2,500,000
Interfund Transfers	151,380,524	151,379,274	(1,250)
Debt Svc From Capital	0		0
	\$194,736,647	\$204,964,464	\$10,227,817

Some of the biggest highlights in SSW include the planned use of \$27.2 million in fund balance in order to keep the Sewer Fund stable which is an increase of \$7.6 million in usage from the FY 26 budget. Sewage connections within permits and licenses are increasing by \$0.1 million in FY 27. Rents and

recoveries is flat. Within that object code, enterprise fund recoveries also remain flat at \$10.9 million. Federal aid of \$7.5 million is included in FY 27, an increase of \$2.5 million from FY 26.

Salaries are decreasing by \$0.8 million while fringe costs are growing minimally due to movements in titles and health insurance. General expenses are increasing mainly due to diesel fuel. SSW contractual service expenses are increasing by \$0.6 million mainly due to a growth of \$0.5 million in professional services for the maintenance of the sewer system. In utilities, the proposed budget anticipates total costs of \$13.0 million mainly due to \$7.4 million in light power & water and \$5.6 million in brokered gas which is \$1.2 million more than the prior budget. Principal declines by \$1.5 million and interest decreases by \$0.3 million. Interfund charges, specifically capital debt service charges, are growing by \$10.6 million.

The Discussion beginning on the next page addresses Budget Risks

Albeit the Proposed FY 27 Budget is not without risks, which are mainly assessed based on current trends compared to the proposed budget. However, not all risks will materialize as the Administration may implement corrective measures to mitigate or even eliminate them. They represent areas of the budget that should be monitored. The budget anticipates these exposures, and the Administration has earmarked reserves that can be used to offset these shortfalls if the need materializes. Since all risks may not occur and the appropriated reserve amounts of \$373.2 million far exceed exposure, this ensures that the County will be able to meet its budgetary funding requirements. There are also opportunities that were identified in the budget that may offset the risks.

OLBR has identified approximately \$175.5 million of risks in the Proposed FY 27 Budget for the Major Funds which are offset by \$87.4 million in opportunities for a net risk of \$88.1 million. The net risk can be covered by the \$373.2 million appropriated from reserves to provide a safety net, ending with a positive number with all the reserves considered. With this safety net, the budget will remain funded on a budgetary basis; however, the GAAP and/or NIFA treatment may be different. In addition, the Administration points out that they have \$76.1 million in unassigned fund balance.

Table 1.10 below, which continues on the next page, lists the risks and opportunities including additional offsetting opportunities that could be available to the Administration.

Table 1.10: Major Funds Risks (millions)

Risks (in millions)

<u>Items</u>	<u>Surplus/Risk</u>
Overtime	(38.6)
Department Revenues	(34.4)
Investment Income	(23.2)
TPVA Fines	(18.1)
Savings from Initiatives (Attrition)	(17.0)
Provider Payments / Preschool (Net of Reimbursement)	(15.1)
Sale of County Property	(10.0)
Fringe Benefits	(8.0)
Entitlements (SS-TT-WW)	(6.1)
Prior Year Recoveries	(5.0)
Total Risks	(175.5)

Opportunities (in millions)

Use of Litigation Fund for Other Suits	25.0
Investment Income transfer in	23.2
Debt Service Future Obligations	21.7
Vacancy Value (Half Value)	17.5

Total Opportunities	\$87.4
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Net Risks	(\$88.1)
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Other Offsetting Possibilities

Appropriated Reserves	\$373.2
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Grand Total	\$285.1
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Risks:

The FY 27 Proposed Budget correctly captures many funding adjustments that were needed compared to the prior year budget. However, compared to some current trends, there are areas that will necessitate careful management and monitoring as they pose risks to the budget. The following section will dive into the specific areas of concern which have been flagged as risks:

Overtime

The overtime risk is based on current trends and projections compared to the FY 27 Proposed Budget. The Major Funds overtime expense is budgeted at \$104.9 million in the proposed Budget which is \$38.6 million lower than current projections. The Police Department has a \$23.6 million exposure, the Correctional Center \$10.3 million and other County departments \$4.7 million.

Department Revenue

A risk of \$34.4 million has been identified in departmental revenues; \$23.0 million of the risk is in the Assessment Department of which \$8.0 million is for GIS Tax map fees and \$15.0 million from the Annual Survey of Income and Expense law (ASIE). In addition, there is \$11.4 million in Police for ambulance fees.

- In the Assessment Department, GIS Tax Map verification fee reflects an \$8.0 million risk in FY 27, which is based on current trends compared to the budget. In addition, the budget includes \$15.0 million in anticipated revenue from the Annual Income and Expense Law, of which nothing has been collected so far.
- The proposed budget includes \$6.5 million in past ambulance fees due from 2025 when the vendor was hacked and funds were not collected. In addition, Ambulance fee collections for FY 27 contain a risk of \$4.9 million due to the budget-to-budget increase of \$4.9 million from \$21.0 million to \$25.9 million. OLBR is projecting this line to meet the budget in FY 26, and it is unclear how a 23.1% revenue increase is achievable based on current and historical trends.

Investment Income

OLBR is projecting a FY 26 deficit of \$12.0 million, however that is after an anticipated transfer of \$15.0 million in investment income from reserve funds. Without this transfer the deficit would be approximately \$27.0 million. Investment income remains sensitive to rates and cash balances. On September 16, 2026, the Federal Open Market Committee (FOMC) raised the federal funds target range to 3.75%-4.00%. Its September projections show a 4.1% median rate at year-end 2026 and 2027 and 3.9% in 2028. When factoring in this increase OLBR sees a risk on this line of \$23.2 million.

However, the Administration, similar to this year, points out that it can bring in investment income from non-operating funds and virtually erase this risk. There is a universe of approximately \$118.1 million excluding the OPIOID fund, that can be tapped and OLBR recognized an equal revenue opportunity. Once details are formulated, OLBR will inform the Legislature.

TPVA Fines

- The Traffic & Parking Violations Agency's (TPVA) portion of the fines and forfeits budget for FY 27 is \$65.0 million, a decrease from the prior year's budget. However, based on current projections and without a clear explanation, the budget is \$18.1 million higher, which poses a risk.

Table 1.11: TPVA Revenue Trends

	2025 Actual	2026 NIFA Approved	2026 OLBR Projected	2027 Proposed	Prop 2027 vs. FY26 Projected
Fines and Forfeits					
Fines	7,050,538	18,900,000	6,995,511	17,500,000	(10,504,490)
Administrative Fee	6,400,224	14,000,000	6,221,386	11,500,000	(5,278,614)
Red Light Camera (RLC)	29,137,187	33,000,000	31,567,227	33,000,000	(1,432,774)
Speed Camera	382,378		32,611		32,611
Ticket Reconciliation Program (TRP)	0	5,000,000	-	0	0
School Bus Stop Arm Camera (SBSA)	1,954,598	3,000,000	2,045,572	3,000,000	(954,428)
Total Fines and Forfeits Revenue	44,924,925	73,900,000	46,862,306	65,000,000	(18,137,694)

Savings from Initiatives (Attrition)

The prior year's budget included projected savings of \$37.0 million, most of which were to come from the County offering a Voluntary Separation Incentive (VSIP) to employees. The incentive was very successful in reducing the County headcount as approximately 594 employees opted into the program. Except for normal attrition savings, which historically had been estimated at \$10.0 million and with headcount being low, it is not clear how the entire \$27.0 million included in the proposed budget will be achieved. As such, a risk of \$17.0 million was assessed to the budget, depicted in Table 1.5 earlier in the memo.

Table 1.12: Early Intervention & Entitlement Breakdown

	2025 YE Actual	2026 Projections	2027 Proposed Bud	FY 27 Proposed Bud Vs. FY 26 Projections
PP - Early Intervention/Special Ed	221,911,638	250,172,074	220,000,000	(30,172,074)
SS - Recipient Grants	87,644,363	94,700,000	94,800,000	100,000
TT - Purchased Services	159,937,519	167,307,685	157,822,685	(9,485,000)
WW - Emergency Vendor Payments	75,324,105	72,575,000	69,831,000	(2,744,000)
Total:	544,817,624	584,754,759	542,453,685	(42,301,074)

Preschool / Early Intervention Payments

While the FY 27 Budget is rising compared to last year's budget, it significantly falls short of the projected FY 26 amount by \$30.2 million. This amount will be reduced by reimbursements to approximately \$15.1 million. Since the proposed budget is not sufficient to cover the current year projection and the department projects a small increase in caseloads, the net Provider Payment budget has been flagged as a risk.

Sale of County Property

The sale of County property is a long and tedious process that sometimes comes to fruition but can fall short of expectations. The budget includes \$10.0 million in anticipated revenue.

Fringe Benefits (Health Insurance)

OLBR has worked up an analysis that projects health insurance costs based on a 4.0% increase in premium rates for all employees in the County's Major Funds and for Medicare eligible retirees. Based on projecting these growth rate assumptions by the current staffing level, there could be a projected shortfall up to \$8.0 million. However, if the rate finalizes closer to the five-year historical average of 8.5%, the FY 27 budget could fall short by roughly \$25.0 million. In addition, this shortage would increase further as budgeted vacancies are filled throughout the year.

To offset any possible shortfalls, the Administration has appropriated \$40.0 million from the Operating Reserve Fund for health insurance costs. Although no funds were utilized in FY 26, this may be needed in FY 27 since the health insurance budget may be low.

Entitlements

This category includes Recipient Grants (SS), Purchased Services (TT) and Emergency Vendor Payments (WW). Table 1.12 above illustrates all the different components of this category:

- No risk has been assessed to the Department of Social Services' Proposed FY 27 Budget for Recipient Grants.
- The Proposed FY 27 Budget for Purchased Services is \$157.8 million, more than the prior year budget but \$9.5 million lower than OLBR's projection of \$167.3 million. The increase in expenses will be primarily driven by the significantly higher daycare expenses.
- The Emergency Vendor Payments for the FY 27 budget proposal are \$69.8 million, \$2.7 million lower than OLBR's projection for this year. This increased expense is expected from mainly higher motel costs.

The amount of \$6.1 million shown in the Risk table is net of anticipated reimbursements.

Prior Year Recoveries

The proposed budget includes \$15.0 million in anticipated revenues from prior year recoveries in OMB. Such revenues materialize throughout the budget as prior year funds are disencumbered, however, they are not guaranteed and are contingent on execution. Nonetheless, the County has historically benefited from actual revenues and with the average of the past two years being approximately \$10.0 million in addition to the data cleansing going on as a part of the transition to a new financial system, OLBR has flagged \$5.0 million as a risk.

Opportunities**Use of Litigation Fund**

The budget in the Major Operating Funds contains funding for other suits and damages. Most recently, the County has used the Litigation Fund to pay for these expenses and when possible has replenished the fund based on the year-end results. The Administration sees an opportunity in operating expenses if the budgeted \$15.0 million in Assessment and \$10.0 million in OMB are paid from the Litigation Fund.

Investment Income

Similar to FY 26, the Administration has indicated it can bring in investment income from non-operating funds. There is a universe of approximately \$118.1 million excluding the OPIOID fund that can be tapped and OLBR recognized an equal revenue opportunity. Once details are formulated, OLBR will inform the Legislature.

Future Debt Obligation

Historically, the County will issue new debt under a structure that delays payments until the following fiscal year, which could result in an opportunity of \$21.7 million in FY 27.

Vacancies

Based on the current headcount and continued attrition, it is anticipated that many positions will be added/backfilled, but some may remain open, resulting in approximately \$17.5 million or half of the value of the vacancies being an opportunity.

Conclusion

The FY 27 Proposed Budget maintains the same property tax levy in the Major Operating Funds while accommodating higher salary, fringe benefit, and entitlement expenses. The budget includes \$43.5 million in reserve funding to maintain balance. Although the County's accumulated reserves provide substantial fiscal flexibility, achieving the proposed spending and revenue targets will require continued oversight and timely corrective action.

OLBR has identified approximately \$175.5 million in risks, partially offset by \$87.4 million in opportunities, resulting in a net risk of \$88.1 million. The Administration has appropriated \$373.2 million from reserves across multiple funds, providing potential resources to address shortfalls. Actual reserve usage will depend on which risks materialize, whether offsetting opportunities are realized and the effectiveness of corrective measures.

The County remains positioned to manage near-term budget pressures. However, the continued reliance on reserves could reduce its flexibility in future years. The Administration will need to contain expenditure growth, support attainable revenue estimates, and identify recurring savings to preserve future financial stability. OLBR will continue to monitor budget performance and provide the Legislature with updates throughout the year.

The Discussion beginning on the next page addresses Budget-to-Budget changes

Proposed Expense Budget

The FY 27 Proposed Expense Budget for the Major Funds is \$4.6 billion excluding the Sewer and Storm Water Resource District. However, when sales tax transfers, interdepartmental charges and debt service chargebacks are excluded, the budget is \$3.8 billion, a \$125.7 million increase in expenses. A breakdown of the budget categories reveals that many have significant variances, and they will be discussed individually later in the report. Table 1.13 below shows the budget-to-budget variances by category:

Table 1.13: Major Funds Expenses FY 26 vs. FY 27
((\$'s in millions)

Expenses	2026 NIFA Adopted Budget	2027 Proposed Budget	Variance
Salaries, Wages & Fees	\$1,086.9	\$1,124.2	\$37.3
Fringe Benefits	789.3	813.6	24.3
Workers Compensation	39.9	40.3	0.4
Equipment	6.2	5.0	(1.2)
General Expenses	51.6	54.1	2.5
Contractual Services	350.6	363.0	12.4
Utility Costs	43.8	45.4	1.6
Var Direct Expenses	5.3	5.3	0.0
Interest	99.2	109.9	10.7
Local Govt Asst Program	98.1	102.0	3.9
Principal	87.5	78.6	(8.9)
Interfd Chgs - Interfund Charges	20.0	19.6	(0.4)
Mass Transportation	54.8	56.0	1.2
NIFA Expenditures	2.8	2.5	(0.4)
Other	207.2	210.7	3.6
Early Intervention/Special Education	209.8	220.0	10.2
Recipient Grants	91.0	94.8	3.8
Purchased Services	135.3	157.8	22.5
Emergency Vendor Payments	67.2	69.8	2.7
Medicaid	252.4	252.1	(0.3)
Sub-total Expenses	3,698.9	3,824.6	125.7
Inter Department / Sales Tax Transfers	689.1	734.3	45.3
Expenses Including Transfers	\$4,388.0	\$4,559.0	\$171.0

- Salaries are increasing by \$37.3 million from the prior year budget. The salary increase can be primarily attributed to a rise in budgeted headcount and contractual wage increases for all the County's unions. The CSEA MOA currently in place provides for a 2.5% General Wage Increase (GWI) effective January 1st, 2027. The contracts for PBA, DAI, SOA, COBA and IPBA expired in 2026, with the last GWI provided on July 1, 2025. However, the 2027 Proposed Budget incorporates funding for a GWI associated with a one-year extension for the non-CSEA unions. The budget also includes annual step increases, which further contributes to budget-to-budget growth.

In addition to the contractual wage increases, overtime funding is rising by \$1.8 million to \$104.9 million. However, this level of funding represents a \$38.6 million decline from OLBR's FY 26 projection and a \$17.4 million reduction from FY 25 actual expenses. Most of the projected shortfall is anticipated in the Police Department and the Correctional Center. Given the recent overtime trends, achieving the proposed overtime budget could be difficult and this poses a significant budgetary risk.

The proposed budget includes 588 vacancies valued at approximately \$35.0 million. Also included is \$27.0 million in savings which will need to be achieved in order not to place additional stress on the budget. Termination funding decreases by \$10.1 million due to the removal of expenses associated with the VSIP and incurred already. For additional funding and headcount breakdown included in the FY 27 budget, please refer to the labor section in this report.

- In the FY 27 Proposed Budget, Fringe Benefits for the Major Funds is \$813.6 million, which is an increase of \$24.3 million from the FY 26 NIFA Approved Budget. This increase is primarily attributable to higher retiree health insurances and pension expenses. This budgeted increase would have been greater but is partially offset by declines in other budgeted lines such as Medicare Reimbursement, an increase in the credit for employee insurance contributions, dental and social security expenses. Health insurance costs continue to represent a substantial component of the fringe benefits expenditures. The revised CSEA MOA, provides for active union members to contribute "3.0%" of their base salary toward health insurance costs, which became effective on January 1, 2026. The associated employee contributions are included in the proposed budget.

The rise in the pension costs is primarily attributable to a significant rise in the Police and Fire Retirement System (PFRS) invoice, partially offset by a reduction in the Employee Retirement System (ERS) bill. The PFRS bill is increasing due to both higher pension contribution rates and growth in pensionable salaries resulting from contractual wage increases from the union's ratified agreements. Despite higher contribution rates and contractual wage increases, the ERS bill has declined, as the impact of the reduction in the County's civil service workforce more than offsets the effect of higher wages.

Similar to FY 26, the Administration has appropriated reserve funding to address potential shortfalls in health insurance or pension costs. The FY 27 Proposed Budget includes \$75.0 million in appropriations from the Retirement Contribution Reserve and \$40.0 million in funds from the Operating Reserve Fund to cover potential shortfalls.

- There is an increase of \$12.4 million in contractual services. The largest increases are mainly in the Department of Public Works (DPW) with an additional \$9.6 million, the Comptroller's office with \$1.5 million and Parks with \$1.2 million.

- In DPW, the budget increases the Veolia contractual services (NICE Bus) by \$7.8 million for operational costs. In addition, there are smaller increases for streetlight and signal maintenance and the traffic management center.
 - In the Comptroller's Office, the budget increases by \$1.5 million for anticipated expenses related to employee education and training for the implementation of the Nassau County Advantage systems.
 - In Parks, the budget allocates an additional \$1.2 million for miscellaneous contractual services.
- The budget reflects an increase of \$10.7 million in interest payments. This is a function of the amortization schedule for existing debt and assumptions for planned future debt issuances.
 - Principal expenses are budgeted to decrease by \$8.9 million. This line takes into account the amortization schedule for existing debt and assumptions for planned future debt issuances.
 - The Other Expense category is increasing by \$3.6 million in total, mainly due to the following:
 - In OMB, expenses are decreasing by \$4.2 million, primarily due to a reduction in other suits & damages of \$5.0 million.
 - In the Debt Service Department, the other expense budget is increasing by \$7.3 million. The other expense line includes costs associated with NIFA-issued debt and debt issuance and is a function of the amortization schedule for existing debt and assumptions for planned future debt issuances.

Table 1.14: Entitlements

	2026 NIFA Adopted Bud	2026 Modified Budget	2027 Proposed Budget	FY 27 Prop Bud Vs. FY 26 NIFA Adopted
PP - Early Intervention/Special Ed	209,800,000	218,800,000	220,000,000	10,200,000
SS - Recipient Grants	91,000,000	95,000,000	94,800,000	3,800,000
TT - Purchased Services	135,322,685	157,822,685	157,822,685	22,500,000
WW - Emergency Vendor Payments	67,171,000	68,671,000	69,831,000	2,660,000
Total:	503,293,685	540,293,685	542,453,685	39,160,000

- Provider payments are increasing by \$10.2 million to \$220.0 million in the FY 27 Executive Budget when compared to the FY 26 NIFA Approved Budget. The majority of the increase is due to a rise in transportation contracts for the Pre-school program and Early Intervention. The contracts were recently renewed with higher rate increases built into the agreements. While the FY 27 Budget is rising compared to last year's budget, it significantly falls short of OLBR's projected FY 26 amount by \$30.2 million. Since the proposed budget is not sufficient to cover the current year projection and the department projects a small increase in caseloads, the Provider Payment budget has been flagged as a risk. This is discussed in the risk section of the Executive Summary.

- Three expense categories combine to make up Direct Assistance. They include Recipient Grants, Purchased Services and Emergency Vendor Payments.
 - The Department of Social Services' Proposed FY 27 Budget for Recipient Grants is \$94.8 million, which is a \$3.8 million increase compared to the prior year budget. Although recipient grant caseloads for Safety Net and TANF have decreased through the end of August 2026 compared to the same period last year, per the department, the increased budget will accommodate costs associated with housing the homeless population offset by reduced costs for subsidized adoptions.
 - The Proposed FY 27 Budget for Purchased Services is \$157.8 million, \$22.5 million more than the prior year budget. The increase is primarily driven by the significantly higher daycare related expenses.
 - The Emergency Vendor Payments for the FY 27 budget proposal are \$69.8 million, a growth of \$2.7 million budget to budget. This increase is mainly impacted by higher motel costs.

Proposed Revenue Budget

The FY 27 Proposed Revenue Budget for the Major Funds is \$4.6 billion excluding the Sewer and Storm Water Resource District. However, when sales tax transfers, interdepartmental charges and debt service chargebacks are excluded, the budget is \$3.8 billion, a \$117.2 million increase from the prior year budget. Table 1.15 below shows the revenue sources from a year-to-year budget perspective and the corresponding variances:

Table 1.15: Major Funds Revenues FY 26 vs. FY 27
(\$'s in millions)

2027 Major Funds Proposed Revenue Budget Summary			
Revenue	2026 NIFA Adopted Budget	2027 Proposed Budget	Variance
Int Penalty On Tax	\$36.0	\$37.2	\$1.2
Permits & Licenses	18.4	19.9	1.5
Fines & Forfeits	79.7	72.2	(7.5)
Invest Income	52.3	49.5	(2.8)
Rents & Recoveries	57.5	50.4	(7.1)
Revenue Offset To Expense	21.4	21.2	(0.3)
Dept Revenues	223.3	228.4	5.1
Pay Lieu Tax - Payment In Lieu Of Taxes	49.6	50.5	0.9
Capital Resources For Debt	22.7	28.1	5.4
OTB Profits	20.0	20.0	0.0
Interfd Chgs - Interfund Charges Rev	84.6	93.7	9.2
Oth Non Tax Source Revenues	0.3	0.3	0.0
Federal Aid - Reimbursement Of Expenses	222.5	247.5	25.0
State Aid - Reimbursement Of Expenses	342.0	360.0	18.0
Sales Tax	1,644.3	1,713.2	68.9
Property Tax	755.3	755.3	0.0
OTB 5% Tax	1.0	0.9	(0.1)
Special Taxes - Special Taxes	33.0	32.9	(0.0)
Sub-total Revenue	3,663.9	3,781.1	117.2
Inter Department Transfers	689.1	734.3	45.3
Inter Transfers From Non Major Funds	35.0	43.5	8.5
Revenue Including Transfers	\$4,388.0	\$4,559.0	\$171.0

The revenues in the Proposed FY 27 Budget reflect adjustments from the prior year budget, however, when these amounts are compared to current projections, some major risks become apparent and were discussed in the Risk section of this report. It will be up to the Administration to implement action plans where possible in order to achieve these revenues.

- Fines and Forfeits are budgeted to decrease by \$7.5 million in total. However, in TPVA, the budget allocates \$65.0 million to the fines and forfeits revenue line which is a decrease of \$8.9 million budget to budget.
 - The total fines (parking and traffic) revenue inclusive of the administrative fees is decreasing by \$3.9 million to \$29.0 million. These adjustments are more reflective of current and past trends but the adjustment may not be enough and constitute a risk.
 - Red Light Camera (RLC) revenue is \$33.0 million, flat budget to budget.
 - The FY 27 Proposed Budget includes \$3.0 million for the School Bus Stop Arm Camera (SBSA), which is unchanged compared to the FY 26 NIFA Approved Budget.
 - The Administration has eliminated the Ticket Reconciliation Program (TRP) from TPVA's proposed revenue budget for FY 27.

This is captured in Table 1.16 below:

Table 1.16: TPVA Revenues

Fines and Forfeits	2026 NIFA Approved	2027 Proposed	Prop 2027 vs. Appr FY26
Fines	18,900,000	17,500,000	(1,400,000)
Administrative Fee	14,000,000	11,500,000	(2,500,000)
Red Light Camera (RLC)	33,000,000	33,000,000	-
Ticket Reconciliation Program (TRP)	5,000,000	0	(5,000,000)
School Bus Stop Arm Camera (SBSA)	3,000,000	3,000,000	0
Total Fines and Forfeits Revenue	73,900,000	65,000,000	(8,900,000)

- The \$49.5 million investment income budget is \$2.8 million lower in FY 27 compared to the prior year. OLBR is projecting a FY 26 deficit of \$12.0 million, however that is after an anticipated transfer of \$15.0 million in investment income from other reserve funds. Without this transfer the deficit would be approximately \$27.0 million in FY 26. Investment income remains sensitive to rates and cash balances. On September 16, 2026, the FOMC raised the federal funds target range to 3.75%-4.00%. Its September projections show a 4.1% median rate at year-end 2026. Without another infusion to the Major Operating funds coupled with reduced principal amounts, there could be an exposure of approximately \$23.2 million to the budget.
- The FY 27 Proposed Budget for Rents and Recoveries is \$7.1 million less in total.
 - In DPW, the budget reduces revenue by \$8.5 million. The Sands rental revenue was adjusted from \$10.9 million to \$5.9 million, or \$5.0 million less. In addition, the Sale of County Property decreased by \$3.7 million.
 - In the Budget Office, the FY 27 Proposed Budget includes \$1.5 million more in cash recoveries and increases workers compensation recoveries by \$0.4 million.

- The Proposed FY 27 Budget increases Department Revenues by \$5.1 million.
 - The Assessment Department is increasing by \$1.0 million. GIS tax map verification is decreasing by \$4.0 million while revenues from income and expense law (ASIE) are growing by \$5.0 million to \$15.0 million, for a net increase in the department of \$1.0 million.
 - The Police Department's budget allocates approximately \$1.0 million more than the previous year. **Prior year** ambulance fee collections decreased by \$5.0 million, from \$11.5 million to \$6.5 million, offset by an anticipated increase of \$4.9 million in day-to-day ambulance fees. In addition, Village fees included \$1.0 million more in revenue.
 - Departmental Revenues in the Clerk's Office are increasing by \$1.1 million due to increases in mortgage and deed recording fees as transaction activity has continued to rebound.
 - The Health Department budgeted an additional \$1.3 million in pre-school Medicaid revenue.
- The \$5.4 million increase in Capital Resources for Debt is anticipated from proceeds received by closing capital projects and bond premium generated from the issuance of premium bonds.
- Interfund charges grows by \$9.2 million in the Proposed FY 27 Budget compared to the prior year. The majority consists of \$10.6 million more from SSW.
- Federal aid grows by \$25.0 million in the Proposed FY 27 Budget compared to the prior year.
 - In DSS, federal aid reimbursement in the FY 27 Proposed Budget is \$220.9 million, a \$27.1 million increase from the FY 26 NIFA Approved Budget. This represents the reimbursable portion of the increased entitlement expenses.
 - In DPW, federal aid decreases by \$1.7 million. The Federal Transportation Authority grant decreases by \$2.3 million, offset by an increase of \$0.6 million in NYS Pass through funds.
- State aid grows by \$18.0 million in the Proposed FY 27 Budget compared to the prior year.
 - In DPW, there is a \$9.9 million anticipated increase in the STOA Grant. Grant monies are a function of the ridership level, and the quality/type of services provided. Documentation is provided to New York State each year and allocation is predicated on service levels voted on by the Senate and the Assembly.
 - In DSS, the Proposed FY 27 Budget for state aid reimbursement is \$56.8 million, an increase of \$1.3 million budget to budget. This growth is mainly driven by increased revenue for reimbursed expenditures from daycare assistance and Safety Net reimbursements offset by mostly lower reimbursements for children in institutions.
 - The Health Department's state aid budget is increasing by \$3.7 million; this represents the corresponding reimbursement amount the department receives from the State as a portion of the increased programs costs discussed above.

- In Human Services, the \$2.6 million rise reflects increases of \$0.9 million in Title VII, \$0.9 million in Community Services for the Elderly, \$0.8 million in Extended In-Home Services for the Elderly, and smaller increases in Youth Services and Title IIID/CSI.
- Probation's FY 27 state aid budget increased by \$2.5 million due to higher anticipated Raise the Age revenue and reimbursed expenditures for juvenile delinquent care and other reimbursable expenses.
- The FY 27 budget for sales tax revenues is increasing by \$68.9 million budget to budget. According to the Administration, the FY 27 sales tax collections budget reflects a 2.9% growth rate from OMB's mid-year FY 26 projection. There has been great volatility with this revenue and OLBR will be monitoring the trends closely and providing updates to the Legislature.
- Sales Tax is explained at the beginning of this memo in addition to section four of this Executive Summary.

Multi-Year Plan (MYP)

Changing economic conditions make it difficult to forecast past FY 27 with great accuracy and the attempt to predict beyond a year by monitors have yielded major variances from actuals. However, Table 1.17 below details the Administration's projected expenditures and revenues through FY 30. Although the Proposed MYP by the Administration does not show any deficits in the out-years, they nonetheless listed actions that could have positive effects on the budget.

Table 1.17: Multi-Year Plan Projections (Major Funds)
(\$'s in millions)

Proposed MYP Expense Budget				
Expenses	2027 Proposed	2028 Plan	2029 Plan	2030 Plan
Salaries, Wages & Fees	\$1,124.2	\$1,147.8	\$1,180.8	\$1,194.9
Fringe Benefits	813.6	825.8	855.3	882.9
Workers Compensation	40.3	40.3	39.8	39.3
Equipment	5.0	5.0	5.0	5.0
General Expenses	54.1	52.9	52.9	52.9
Contractual Services	363.0	364.4	367.6	371.5
Utility Costs	45.4	45.3	45.7	46.1
Var Direct Expenses	5.3	5.3	5.3	5.3
Local Govt Asst Program	102.0	105.3	108.4	111.7
Principal	78.6	71.6	70.0	100.9
Interfund Charges	19.6	19.2	18.9	0.2
Mass Transportation	56.0	57.0	58.0	59.1
NIFA Expenditures	2.5	3.2	2.8	3.5
Other Expenses	210.7	225.9	222.5	207.7
Early Intervention/Special Education	220.0	218.0	217.0	217.0
Recipient Grants	94.8	93.3	91.8	91.8
Purchased Services	157.8	157.8	157.8	157.8
Emergency Vendor Payments	69.8	69.8	69.8	69.8
Medicaid	252.1	252.1	252.1	256.7
Sub-total Expenses	3,824.6	3,875.6	3,943.2	4,001.5
Inter Dept/Sales Tax Transfers	734.3	773.2	805.7	837.0
Expenses Including Transfers	\$4,559.0	\$4,648.9	\$4,748.9	\$4,838.5

Proposed MYP Revenue Budget				
Revenue	2027 Proposed	2028 Plan	2029 Plan	2030 Plan
Opening Fund Balance	\$0.0	\$0.0	\$0.0	\$0.0
Int Penalty On Tax	37.2	37.2	37.2	37.2
Permits & Licenses	19.9	24.6	24.9	24.6
Fines & Forfeits	72.2	72.8	73.8	75.4
Invest Income	49.5	49.5	49.5	49.5
Rents & Recoveries	50.4	49.7	49.7	49.7
Revenue Offset To Expense	21.2	21.2	21.2	21.2
Dept Revenues	228.4	228.5	239.2	243.3
Payment In Lieu Of Taxes	50.5	50.4	51.4	51.3
Capital Resources For Debt	28.1	22.7	22.7	22.7
Due From Other Govts	0.0	0.0	0.0	0.0
OTB Profits	20.0	20.0	20.0	20.0
Interfund Revenue	93.7	88.2	89.7	75.3
Oth Non Tax Source Revenues	0.3	0.3	0.3	0.3
Federal Aid - Reimbursement Of Expenses	247.5	247.4	246.3	244.8
State Aid - Reimbursement Of Expenses	360.0	362.3	365.5	369.8
Sales Tax	1,713.2	1,769.1	1,822.2	1,876.9
Property Tax	755.3	755.3	755.3	755.3
OTB 5% Tax	0.9	0.9	0.9	0.9
Special Taxes	32.9	32.9	32.9	32.9
Sub-total Revenue	3,781.1	3,833.0	3,902.6	3,951.0
Inter Dept/Sales Tax Transfers	734.3	773.2	805.7	837.0
Inter Transfers From Non Major Funds	\$43.5	\$44.0	\$43.0	\$53.0
Revenue Including Transfers	4,559.0	4,650.2	4,751.3	4,840.9

Through the course of this MYP, total expenses are projected to grow by 4.6% (net of Inter Department & Sales Tax transfers) while revenues increase at 4.5%. The MYP uses a total of \$183.5 million from reserves, that is \$43.5 million use in FY 27, \$44.0 million in FY 28, \$43.0 million in FY 29 and \$53.0 million in FY 30. This trend highlights a continued reliance on reserves to remain in balance. The fiscal concern is that more than the appropriated reserves may be needed if there are any cost overruns or decreased revenues. However, the total amount the County has in reserves is expected to absorb these usages although they would severely diminish rainy-day funds. How much is used is contingent on economic trends and policies implemented by the Administration.

OLBR remains available to look into any specific questions regarding the MYP that the Legislature may have. However, below are some highlights:

- Salaries and wages will increase by \$70.7 million, from the Proposed Budget of \$1,124.2 million in FY 27 to \$1,194.9 million in FY 30. The MYP includes a January 1st GWI increase for the CSEA union based on the current revised MOA. The GWI consists of a recurring 2.5% in FY 28 and FY 29 and 2.85% in FY 30. The contracts for PBA, DAI, SOA, COBA and IPBA expired in 2026, with the last GWI provided on July 1, 2025. However, it appears that the MYP builds in a GWI assumption for the all the labor contracts in the out-years. The MYP continues to carry out a significant amount of initiative savings throughout all years of the plan. The plan includes \$27.2 million in FY 27 and continues this savings in the out-year at a total of \$23.7 million in FY 28, and \$22.7 million in both FY 29 and FY 30. It is unclear how these saving will be achieved since the VSIP was executed and expired in FY 26.
- Fringe benefits will increase by \$69.3 million, or 8.5%, from \$813.6 million in the Proposed FY 27 Budget to \$882.9 million in FY 30 of the MYP.
 - Health insurance expenses for active and retired employees from FY 27 to FY 30 are projected to increase by \$51.8 million to \$479.6 million. According to the Administration, the baseline inflator used to project out-year health insurance costs includes a recurring 4.0% for active employees and retirees throughout the out-years of the Plan. The inflators appear low compared to the historical five-year average of 8.5% for active and 9.7% for Medicare Eligible insurance.
 - Based on the 4.0% inflator assumed in the Multi-Year Plan, there is a potential shortfall of a recurring \$8.0 to \$10.0 million throughout all years of the MYP.
 - However, if the inflators come in closer to the historical averages, the FY 27 budget could fall short by \$25.0 million, which could grow by four times that amount in FY 30.

In FY 27, \$40.0 million has been set aside in the Operating Reserve Fund, to fund potential insurance shortfalls. If this reserve is not used in FY 27, it may be available in the out-years of the plan.

Pension costs for ERS and PFRS are decreasing by \$6.3 million in FY 28, however they are increasing by \$10.3 million in FY 29, and by \$7.5 million in FY 30. The New York State Comptroller provides a projected invoice for FY 27-28 with estimated costs. Based on the projected invoice from the State, the MYP does not sufficiently fund expenses in FY 28, which would carry the shortfall through

FY 30. The projected bill reflects an increase of roughly \$9.4 million compared to the current estimated SFY 26-27 bill.

The **Administration** recognizes that the economy still faces challenges and will seek to implement the following items to fortify the County's finances:

Building Consolidation

The County's past workforce reduction has opened possibilities for centralization and downsizing of office space. The County will also realize utility and maintenance savings from better consolidated space.

Efficiency Program

The Administration will continue to seek opportunities for consolidation and realign workforce levels to ensure that the County provides essential services for all Nassau County residents in an affordable manner.

Economic Development & Coliseum Property

Nassau County has opportunities for growth especially where communities are exploring redevelopment of downtown areas. While no specific projects can be discussed at this time, it is clear that upside potential exists.

2. LABOR

Except for the Civil Service Employees Association, Inc. (CSEA) which has a Memorandum of Agreement (MOA) that will be in effect through December 31, 2030, all other Labor Union contracts have officially expired. The sunset agreements that were in effect had their last Cost of Living Adjustment (COLA) in July 2025 and this applied to the Police Benevolent Association (PBA), the Police Detectives' Association (DAI) Inc., the Superior Officers Association (SOA) Inc., the Correction Officers Benevolent Association (COBA) and the Investigators Police Benevolent Association (IPBA). It is anticipated that new agreements will be presented to the Legislature once they are ratified and will be for a one-year extension. At that point, all the details will be known. Any MOA will have additional salary costs which the Administration expected and built into the Proposed FY 27 Budget. The known CSEA agreement and related COLAs is illustrated in Table 2.0 below:

Table 2.0: COLAs

CSEA		
<u>Phase</u>	<u>Date</u>	<u>GW</u>
<u>Phase 1</u>	July 1, 2020	2.00%
	July 1, 2021	2.00%
	July 1, 2022	2.50%
	July 1, 2023	2.00%
	July 1, 2024	3.00%
	January 1, 2026	3.00%
<u>Phase 2</u>	January 1, 2027	2.50%
	January 1, 2028	2.50%
	January 1, 2029	2.50%
	January 1, 2030	2.85%

The Proposed FY 27 Budget includes \$27.0 million in salary savings which represents \$10.0 million less than the prior year. In FY 26, it was anticipated that these savings would be mainly realized from the Administration's plan to reduce salaries by offering a Voluntary Separation Incentive Plan (VSIP) to employees. The incentive was very successful and approximately 594 employees opted in. However, given the success of the FY 26 incentive, it is not clear how the \$27.0 million will be achieved.

Table 2.1 below shows the savings included in the Proposed FY 27 Budget:

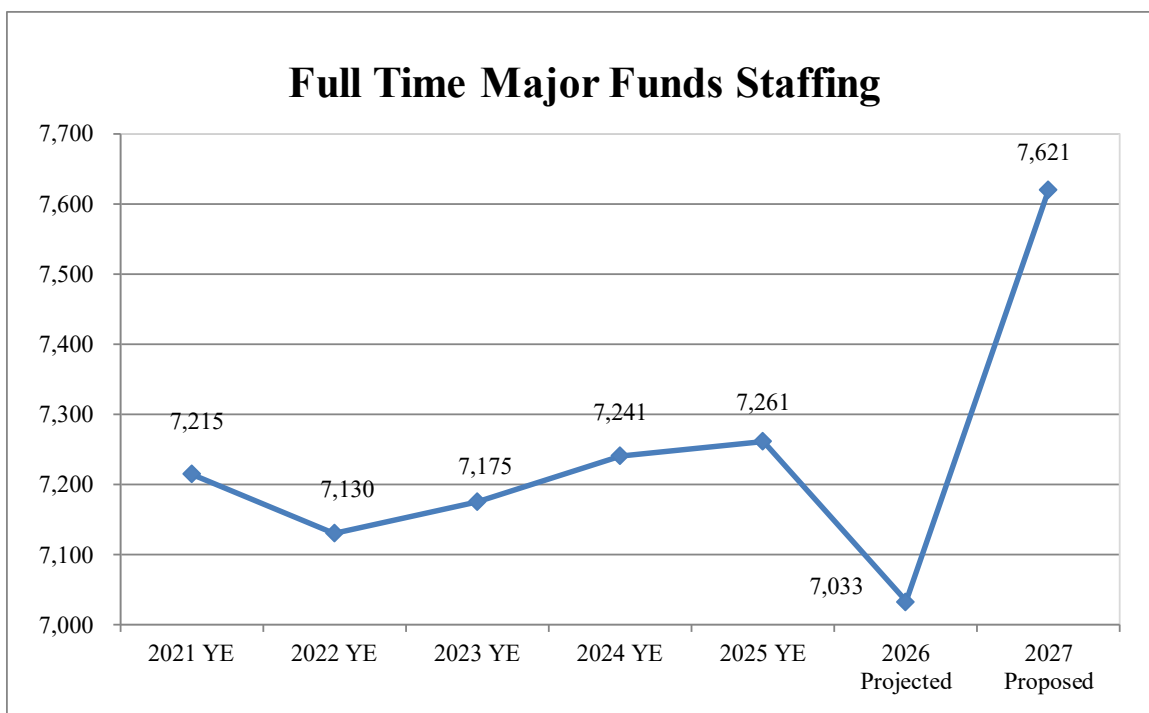
Table 2.1: Salary Savings

	2027		
	2026 Budget	Proposed	Difference
Savings From Initiatives	\$ 37.0	\$ 27.0	\$ (10.0)

There are currently 7,033 full-time on-board employees in the Major Funds excluding Sewers and when compared to the FY 27 full-time budgeted headcount of 7,621 positions the proposed budget funds 588 full-time vacant positions, valued by the Administration at approximately \$35.0 million.

Chart 2.0 below illustrates the historical figures, FY 26 projected and FY 27 proposed full-time headcount:

Chart 2.0: Headcount Trend



Although the Administration could move quickly to hire many positions, there is a high probability, based on recent trends, that not all the titles will be filled for the entire year. The longer a position remains vacant, the more savings will be generated from not filling that position. This may become an additional funding opportunity that the Administration could use to cover unforeseen costs. In addition, the inclusion of \$27.0 million in savings to be realized adds additional fiscal pressure to the budget as they will need to be achieved or covered by other initiatives.

The Major Funds overtime expense is budgeted at \$104.9 million in the Proposed FY 27 Budget which represents a \$1.8 million increase from the prior year budget; however, the funding falls short from the current projections by \$38.6 million. FY 24 actual overtime expenses were very high at \$141.8 million, and FY 25 was \$122.3 million. There has been an effort to reduce this expense, but the current projection is \$143.5 million. If the current projections come to fruition, there will be a sizable shortage in FY 27.

The Police Department budgeted \$23.6 million less than the current projection. Although the department can maximize grants and Asset Forfeiture Funds to offset overtime, the budget seems low and will be challenging. The Police Department expects the impact of overtime to also be mitigated in FY 27 as they continue to hire new recruits, which should bring down the blended overtime rate.

In the Correctional Center, the FY 27 Proposed Budget for overtime is \$10.3 million less than the current projections and the lower budget will be difficult to achieve. The department is planning to add two classes of recruits in FY 27.

Table 2.2: Major Funds Overtime Trends

OVERTIME TRENDS						
	2024 Act	2025 Act	FY26 Budget	2026 Projected	2027 Proposed	Difference 27 Proposed Bud Vs. 26 Projected
Police District	\$ 34,632,870	\$ 29,450,231	\$ 28,000,000	\$ 34,270,352	\$ 28,000,000	\$ (6,270,352)
Police Headquarters	45,389,664	42,390,441	32,000,000	49,328,487	32,000,000	(17,328,487)
Total	80,022,534	71,840,672	60,000,000	83,598,839	60,000,000	(23,598,839)
Corrections	40,013,818	28,735,177	25,069,271	35,360,230	25,069,271	(10,290,959)
Police & Corrections	120,036,352	100,575,849	85,069,271	118,959,068	85,069,271	(33,889,797)
Others	21,762,725	21,747,423	17,992,766	24,531,860	19,825,849	(4,706,011)
TOTAL:	\$ 141,799,077	\$ 122,323,272	\$ 103,062,037	\$ 143,490,929	\$ 104,895,120	\$ (38,595,809)

Headcount

Compared to the prior year budget, the Proposed FY 27 Budget adds 36 positions which are mainly in the Police Department.

Table 2.3 on the next page shows the full-time FY 26 Adopted Budget headcount, the FY 27 Major Funds budget, including Sewer & Storm Water positions, which is compared to the current on-board headcount by department:

Table 2.3: Full-Time Staffing Comparison

Full Time Major Funds Staffing Comparison						
Department	2026 NIFA Adopted Headcount	2026 Sept Onboard Headcount	2026 Sept Onboard Salaries	2027 Proposed Headcount	2027 Proposed Salaries	Variance 2027 Proposed vs. 2026 Sept Onboard
Assessment	160	91	8,500,348	160	9,731,794	69
Asian American Affairs	6	3	302,400	6	452,500	3
Assessment Review Commission	58	54	5,651,171	58	6,026,899	4
Board of Elections	160	123	11,057,847	160	16,212,070	37
Civil Service	45	42	4,347,172	45	5,129,870	3
Office of Crime Victims Advocate	4	2	264,551	4	407,706	2
Comptroller	102	81	9,871,548	103	11,881,794	22
Constituent Affairs	12	11	1,374,867	12	1,438,467	1
Consumer Affairs	26	22	1,821,947	26	2,262,000	4
Correctional Center	943	796	74,739,715	943	91,018,669	147
County Attorney	91	84	9,684,973	91	9,940,564	7
County Clerk	90	79	6,062,771	90	6,610,678	11
County Executive	13	11	1,509,251	13	1,547,834	2
District Attorney	449	459	52,177,734	447	50,410,559	(12)
Emergency Management	3	3	313,302	3	313,302	0
Health	283	248	27,383,736	283	30,677,173	35
Housing & Intergovernmental Affairs	14	10	763,838	13	981,940	3
Human Resources	8	6	701,864	8	902,162	2
Human Rights	8	6	575,425	8	644,875	2
Human Services	62	56	5,328,096	62	5,757,198	6
Information Technology	122	113	11,616,285	122	12,899,001	9
Labor Relations	5	4	372,544	5	431,120	1
Legislature	94	88	8,965,845	99	9,999,990	11
Office of Hispanic Affairs	6	4	396,821	6	451,750	2
Office of Minority Affairs	13	13	1,087,035	13	1,087,035	0
Office of Management and Budget	34	33	3,625,591	34	3,697,971	1
Parks, Recreation and Museums	150	107	8,194,668	150	10,163,975	43
Probation	222	199	22,916,007	222	25,243,964	23
Public Administrator	6	5	455,167	7	651,029	2
Public Works Department	419	342	30,308,292	418	33,604,846	76
Shared Services	15	15	1,616,904	15	1,702,254	0
Records Management	10	5	551,448	10	649,133	5
Social Services	596	467	40,142,477	596	50,108,986	129
Traffic & Parking Violations	45	37	3,282,077	45	3,811,764	8
Treasurer	28	23	1,995,717	25	2,051,215	2
Veterans' Services Agency	9	7	593,690	9	747,380	2
General Fund Total	4,311	3,649	358,553,124	4,311	409,649,467	662
Fire Commission	128	109	10,202,901	128	12,168,693	19
Police District	1,756	1,742	185,541,713	1,794	210,493,283	52
Police Headquarters	1,702	1,533	186,363,584	1,700	213,663,790	167
Total Major Funds	7,897	7,033	740,661,322	7,933	845,975,233	900
Anticipated additional non-allocated Attrition	(312)	0	0	(312)	(27,000,000)	(312)
Total Major Funds including anticipated Attrition	7,585	7,033	740,661,322	7,621	818,975,233	588
Sewer & Storm Water (SSW)	71	49	4,240,315	71	5,370,520	22
Grand Total including Sewers*	7,656	7,082	744,901,637	7,692	824,345,753	610
Note: The September onboard total for Major Funds includes all FT employees. Due to coding, Peoplesoft shows 2 more positions in Civil Service.						

Table 2.4 below illustrates the multi-year salary plan for the Major Funds:

Table 2.4: MYP Major Funds Salary Plan

Major Funds Multi-Year Salary Plan				
Department	2027 Proposed	2028 Plan	2029 Plan	2030 Plan
Assessment Review Commission	6,295,767	6,467,993	6,661,422	6,864,057
Assessment Department	10,171,797	10,488,952	10,870,853	11,193,432
Asian American Affairs	562,052	562,052	562,052	562,052
County Attorney	10,412,627	10,529,630	10,652,408	10,761,188
Office of Management and Budget	8,192,405	8,192,405	8,192,405	8,192,405
Office of Consumer Affairs	2,554,143	2,637,885	2,737,950	2,821,195
Correctional Center	133,910,022	134,691,055	136,344,925	137,944,420
County Executive	1,712,262	1,712,262	1,712,262	1,712,262
Office of Constituent Affairs	1,628,375	1,628,375	1,628,375	1,628,375
Clerk	7,399,381	7,628,013	7,954,894	8,208,668
County Comptroller	11,643,381	11,969,459	12,424,818	12,776,622
Civil Service	6,764,738	6,954,375	7,218,877	7,467,461
Office of Crime Victims Advocate	412,706	412,706	412,706	412,706
District Attorney	56,025,534	56,269,231	57,116,471	57,813,485
Board of Elections	25,835,825	26,059,102	26,287,961	26,555,382
Emergency Management	597,550	597,550	597,550	597,550
Fire Commission	17,748,266	18,195,018	18,268,052	18,306,319
Health Department	33,462,800	34,556,949	35,926,339	37,100,518
Housing & Intergovernmental Affairs	1,106,226	1,106,226	1,106,226	1,106,226
Commission on Human Rights	959,275	980,209	1,012,534	1,033,333
Department of Human Services	6,137,985	6,364,555	6,640,163	6,874,073
Information Technology	13,767,329	14,264,074	14,885,837	15,435,487
County Legislature	10,940,183	10,940,183	10,940,183	10,940,183
Office of Labor Relations	481,120	481,120	481,120	481,120
Office of Minority Affairs	1,306,403	1,306,403	1,306,403	1,306,403
Medical Examiner	-	-	-	-
Public Administrator	743,219	755,303	774,597	789,270
Probation	29,111,484	29,757,044	31,369,521	32,426,137
Police Department	620,227,910	633,434,543	652,709,745	655,939,389
Department of Human Resources	1,064,162	1,064,162	1,064,162	1,064,162
Parks, Recreation and Museums	22,755,833	23,093,202	23,447,250	23,773,451
Shared Services	1,868,995	1,926,723	2,001,086	2,062,375
Public Works Department	36,053,259	35,612,976	36,409,316	37,658,246
Records Management	868,549	885,265	906,782	930,305
Office of Hispanic Affairs	562,052	562,052	562,052	562,052
Social Services	60,471,745	61,420,590	63,781,127	65,627,702
County Treasurer	2,180,932	2,246,102	2,317,272	2,390,122
Traffic & Parking Violations Agency	4,892,730	4,994,093	5,087,999	5,171,587
Veterans Services Agency	860,639	879,471	916,139	937,894
Office of Management and Budget - Attrition/Chargeback	(27,500,000)	(23,800,000)	(22,500,000)	(22,500,000)
Grand Total	1,124,189,661	1,147,827,304	1,180,789,834	1,194,927,614

3. FRINGE BENEFITS

Fringe benefit expenditures include health insurance contributions for active and retired employees, as well as pension and social security contributions. Health insurance and pension contribution costs remain significant cost drivers in the County's budget.

The FY 27 Proposed Fringe Benefit budget for the Major Funds is \$813.6 million, which is an increase of \$24.3 million from the FY 26 NIFA Approved Budget and a greater rise of \$26.7 million compared to the projection. Compared to the FY 26 budget, the rise is mostly due to health insurance for retirees and pension expenses for sworn officers. The budgeted increase would have been greater but is being offset by declines in other budgeted lines such as Medicare Reimbursement, the credit for employee contributions, dental, ERS pension costs and social security expenses.

The County continues to fully fund its annual pension obligation without amortizing any portion of the pension bill. With no outstanding pension amortization liability, the County avoids the additional interest costs associated with deferring these payments.

Health insurance costs continue to represent a substantial component of the fringe benefits expenditures. The revised CSEA MOA, provides for active union members to contribute "3.0%" of their base salary toward health insurance costs, which became effective on January 1, 2026.

In addition, the FY 27 Proposed Budget sets aside appropriations for both health insurance and pension costs in the Operating Reserve Fund (ORF) and the Retirement Contribution Fund (RCF).

The following Table 3.0 displays the fringe benefit appropriations for the Major Funds and Table 3.1 reflects the fringe benefit appropriations that the Administration has set aside for reserve funds.

Table 3.0: Fringe Budget by Major Funds

Fund	Department	NIFA Approved FY 26 Budget	OLBR FY 26 Projection	FY 27 Executive Budget	Variance Exec. Vs. NIFA Approved	Variance Executive vs FY 26 Proj.
Fire Commission	Fringe Benefits	\$8,831,781	\$9,239,386	9,567,357	\$735,576	\$327,971
General Fund	Courts	791,744	567,890	560,000	(231,744)	(7,890)
	Fringe Benefits	345,750,648	342,894,914	345,095,668	(654,980)	2,200,754
Police District	Fringe Benefits	208,967,756	205,724,179	219,142,409	10,174,653	13,418,230
Police Headquarters	Fringe Benefits	224,932,723	228,449,108	\$239,238,344	14,305,621	10,789,236
Total		\$789,274,652	\$786,875,478	\$813,603,778	\$24,329,126	\$26,728,300

Table 3.1: Fringe Budget Reserves

Fund	Department	FY 26	FY 27
		NIFA Approved Budget	Executive Budget
Litigation Fund	OMB	1,000,000	1,000,000
	Police Department	1,000,000	1,000,000
Operating Reserve	OMB	53,000,000	40,000,000
Retirement Contribution	OMB	75,000,000	75,000,000
Total		\$130,000,000	\$117,000,000

As shown in the table above, the Administration has also appropriated \$117.0 million in reserves if the need arises to cover any shortfalls in health insurance and/or pension costs. Through September 2026, the Administration has not utilized any of its appropriate reserve funds to cover health insurance or pensions expenses.

Table 3.2 below itemizes the Fringe Benefits budget by sub-object.

Table 3.2: Fringe Budget by Sub-object for the Major Funds

SubObject & Description	NIFA Approved FY 26 Budget	OLBR FY 26 Projection	FY 27 Executive Budget	Variance Exec. Vs. NIFA Approved	Variance Executive vs FY 26 Proj.
08F - NYS Police Retirement	\$149,970,940	\$148,296,006	\$167,681,821	\$17,710,881	\$19,385,815
11F - State Retirement Systems	110,458,110	109,847,190	108,559,257	(1,898,853)	(1,287,933)
13F - Social Security Contribution	82,865,035	79,391,162	82,584,708	(280,327)	3,193,546
14C - Employee Contributions	(12,689,136)	(11,731,818)	(14,196,509)	(1,507,373)	(2,464,691)
14F - Health Insurance	212,960,305	113,461,854	117,856,984	(95,103,321)	4,395,130
16G - County Exp	42,000	42,000	42,000	-	-
17F - Optical Plan	789,181	733,306	791,339	2,158	58,033
19F - NYS Unemployment	1,740,120	1,740,120	1,774,922	34,802	34,802
20F - Dental Insurance	4,082,232	3,699,095	3,990,232	(92,000)	291,137
22F - Medicare Reimbursement	33,564,396	31,064,396	30,987,307	(2,577,089)	(77,089)
22S - Medicare Reimbursement Surcharge	3,738,464	3,738,464	3,778,936	40,472	40,472
26F - Flex Benefit	2,200,000	2,700,000	2,700,000	500,000	-
31F - CSEA Health Insurance Active	-	93,503,242	95,373,975	95,373,975	1,870,733
35F - MTA Mobility Tax	-	(2,159)	0	-	2,159
40F - CSEA Legal Plan	534,226	520,375	530,784	(3,442)	10,409
41F - COBA Legal Plan	90,908	87,250	88,995	(1,913)	1,745
45F - Disability Insurance	55,080	55,080	56,182	1,102	1,102
75F - Health Insurance For Retirees	202,328,242	213,170,970	214,544,725	12,216,483	1,373,755
76F - Employees Optical - Retirees	857,491	875,251	857,321	(170)	(17,930)
98G - Fringes Allocable to Grants	(774,009)	(774,009)	(789,489)	(15,480)	(15,480)
ZZ0 - Capital Backcharge Overtime Fringes	(308,933)	(308,933)	(315,112)	(6,179)	(6,179)
ZZS - Capital Backcharge ST Time Fringes	(3,230,000)	(3,233,365)	(3,294,600)	(64,600)	(61,235)
Grand Total	\$789,274,652	\$786,875,478	\$813,603,778	\$24,329,126	\$26,728,300

08F Pension for the Police and Fire Retirement System, 11F Employee Retirement System

Table 3.3 below provides the FY 26 and FY 27 pension expenses billed by the State for the Employee Retirement System (ERS) and Police and Fire Retirement System (PFRS) based on both the February and December payment dates. Please note that in addition to the Major Funds within the pension invoice, amounts are also included for the Nassau Community College (NCC), the Sewer and Storm Water Resource District (SSW) and the Grant Fund.

The annual bill for the New York State Retirement System covers the period from April 1st of the previous year to March 31st of the ensuing year. The pension payment date for participating employers is February 1st, however local municipalities have the option to make the payment on December 1st at a discounted amount. The FY Proposed Budget is based on the Administration making the payment in February. However, if the payment is made in December, the County will realize approximately \$2.0 million in pre-payment savings, as reflected in Table 3.3 below.

Table 3.3: SFY2026-SFY2027

Pension Invoices

Pension Payments Based on December & February Invoices			
December			
	2026 Invoice	2027 Invoice	2027 vs. 2026
<u>Total Pension Bill Excluding Amortization</u>			
ERS	\$121,279,025	\$116,912,055	(\$4,366,970)
PFRS	148,310,325	166,484,630	18,174,305
	\$269,589,350	\$283,396,685	\$13,807,335
February			
	2026 Invoice	2027 Invoice	2027 vs. 2026
<u>Total Pension Bill Excluding Amortization</u>			
ERS	\$122,151,142	\$117,752,770	(\$4,398,372)
PFRS	149,376,825	167,681,821	18,304,996
	\$271,527,967	\$285,434,591	\$13,906,624
Savings From December Pre-payment	\$1,938,617	\$2,037,906	

* The pension invoice includes the entire bill for all funds, including NCC, SSW, and the Grant Fund.

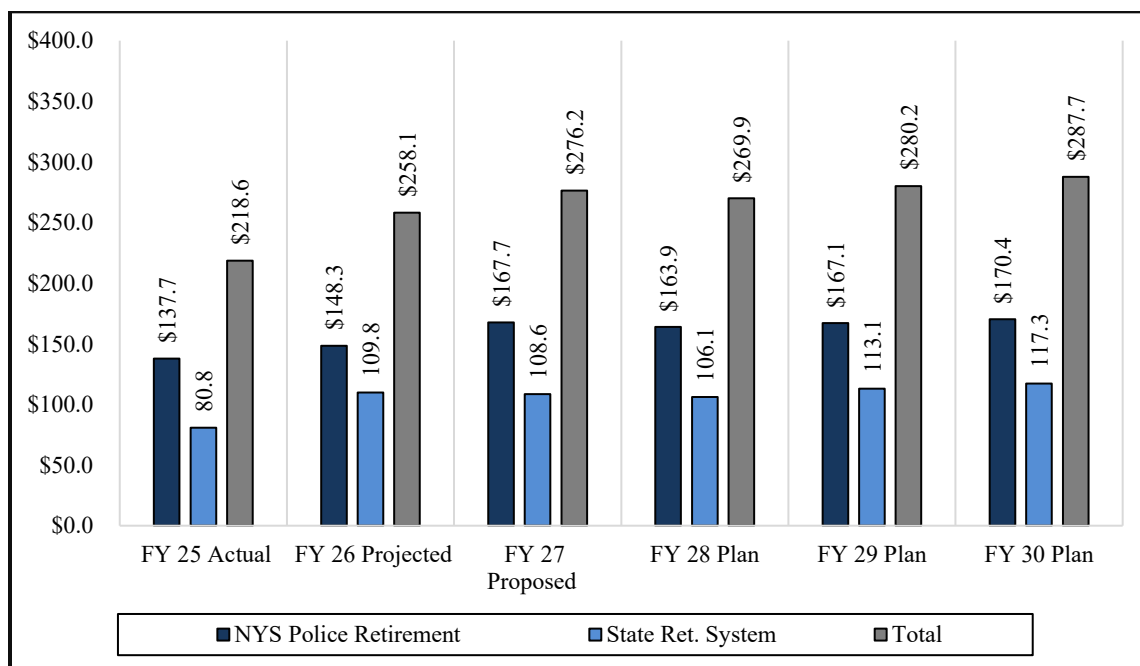
The February invoice of \$285.4 million includes \$117.8 million billed for (ERS) and \$167.7 million billed for (PFRS). This represents a total increase of roughly \$13.9 million compared to the State Fiscal Year (SFY) 2025-26 pension bill. This increase is primarily due to a significant rise in the PFRS invoice, partially offset by a reduction in the ERS bill.

The rise in the PFRS pension bill can be attributed to both higher pensionable salaries and increased pension contribution rates. In SFY 2026-27, pension contribution rates are continuing to rise for both ERS and PFRS. For PFRS, the average rate of 33.8% in SFY 2025-26 is growing to 36.8% in SFY 2026-27. The increase in the PFRS bill is also attributable to higher pensionable salaries, resulting from General Wage Increases (GWI's) provided under the County's ratified labor contracts. The contracts have provided annual GWI's, which have continued to increase pensionable salaries.

For ERS, the average pension contribution rate increased from roughly 19.3% in SFY 2025-26 to 20.2% in SFY 2026-27. Despite higher contribution rates and contractual wage increases, the ERS bill has declined, as the impact of the reduction in the County’s civil service workforce more than offsets the effect of higher wages. The current full-time headcount in the Major Funds has declined by 208 positions since December 2024.

Chart 3.0 below details the historical pension obligation from FY 25 actual through FY 30 (the out-years of the MYP) for **the Major Funds**. The Administration’s FY 27 Proposed Budget includes pension expenses of \$167.7 million in PFRS and \$108.6 million in ERS for a total budget of roughly \$276.2 million. This total does not include the \$75.0 million that the Administration has appropriated in the Retirement Contribution Reserve Fund.

Chart 3.0: FY 25 to FY 30 Pension Costs for the Major Funds (in millions)



The New York State Comptroller recently announced Employer Contribution rates for both ERS and PFRS Systems. The report shows that pension contribution rates have diverged for civilian and public safety systems. The average contribution rates will decrease for ERS, however rates for PFRS will rise, which will impact payments in the next State Fiscal Year 2027-28 invoice.¹

According to the State Comptroller, the average employer contribution rate for ERS will decline from 17.6% to 17.3% of payroll; meanwhile, the average employer contribution rate for PFRS will rise from 36.5% of payroll to 37.4% of payroll.² According to the Comptroller contribution rates are based on investment performance and actuarial assumptions, as well as other factors that include salary growth,

¹Office of the New York State Comptroller, “NYSLRS Announces Employer Contribution Rates for 2027-28”, September 8, 2026.

² Ibid.

employer plan choices, retirement patterns and the recent legislative reforms affecting Tier 5 and 6.³ The New York State Retirement Fund's long term assumed rate of return remains at 5.9%, lower than the nation's median investment return assumption of 7.0%, according to the National Association of State Retirement;⁴ and the second lowest among major public pension funds in the Country. If actual funds fall short of the assumed rate, taxpayers or employers may need to increase contributions to keep the fund solvent.

The Multi-Year Plan (MYP) assumes pension costs will decline in SFY 2027-28, followed by rises in SFY 2028-29 and SFY 2029-30. Since pensionable salaries are expected to rise from labor contractual union wages, as well as contribution rates, it is not clear why this cost has been reduced. The MYP projects costs to be \$269.9 million in FY 28, \$280.2 million in FY 29 and \$287.7 million in FY 30. The MYP is reflected in Table 3.5 at the end of this report.

As mentioned earlier, the New York State Comptroller recently announced FY 2027-28 contribution rates and also provides municipalities with a projected invoice for FY 2027-28 with estimated costs. Based on Nassau County's projected bill, costs are estimated to increase by roughly \$9.5 million compared to the current SFY 2026-27 bill, however the MYP reflects a reduction in pension costs of \$6.3 million in FY 28. This indicates that the pension budget does not sufficiently fund expenses in the out-years.

14F & 75F Health Insurance for Active and Retired Employees, 31F CSEA Active Health Insurance, and 32F Excelsior Health Insurance for Retirees

In FY 26, the New York State Health Insurance Plan (NYSHIP) Empire individual premiums increased by 8.9% for individual coverage and 8.8% for family premiums. The rates were finalized higher than the 6.0% that was included in the FY 26 NIFA Adopted budget.

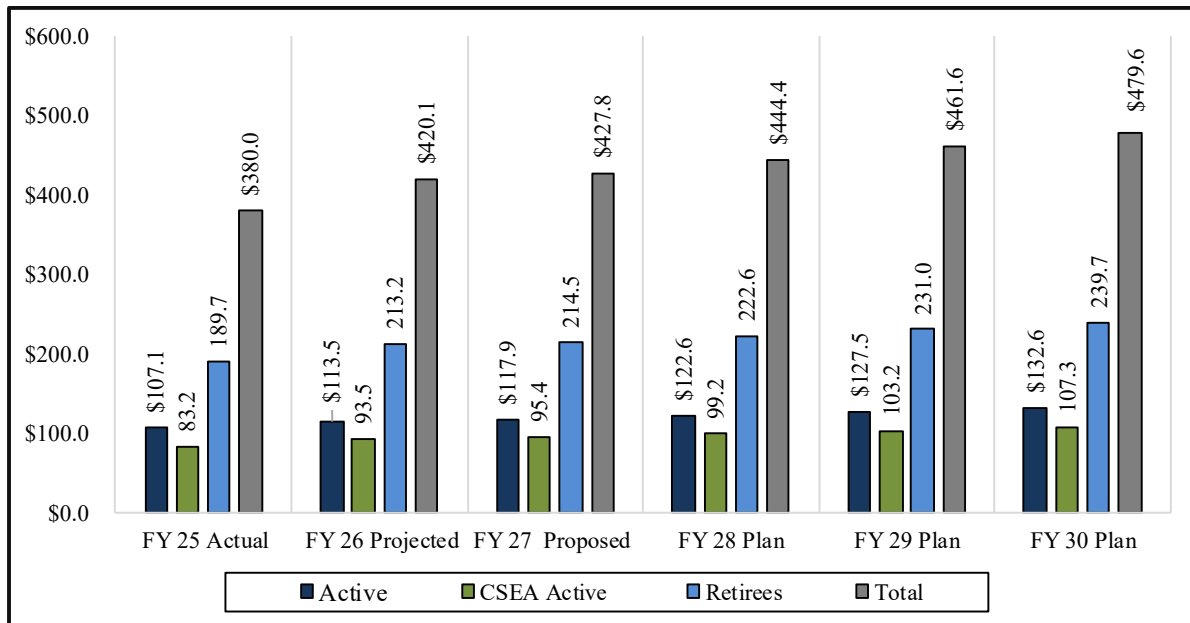
As previously mentioned, the current revised CSEA MOA, will capture future health insurance savings from incorporating a "3.0%" health insurance contribution of an active union member's base salary. This became effective on January 1, 2026, and continues in the Proposed 2027 Budget.

In total the FY 27 Proposed Budget includes \$427.8 million for active and retiree health insurance costs (which is shown in the chart and discussed on the next page). The following chart depicts the health insurance costs from FY 25 through the out-years of the Multi-Year Plan.

³ Office of the New York State Comptroller, "New York Pension Contribution Rates Diverge for Civilian and Public Safety Systems," [FingerLakes1.com](https://www.fingerlakes1.com), September 9, 2026.

⁴ Ibid

Chart 3.1: FY 25 to FY 30 Health Insurance Costs (in Millions)



The FY 27 Proposed Budget incorporates the sub-object code (AB31F), which was previously included in prior years to separate the health insurance cost for CSEA members. The table below provides the total health insurance budget for both active and retired employees.

The FY 27 Proposed Budget is increasing by \$7.6 million compared to the projection, however, budget to budget is growing by a greater amount of \$12.5 million, when compared to the FY 26 NIFA Budget. The active health insurance budget (AB14F) and (AB31F) remains relatively unchanged at \$0.3 million, and the retiree budget is growing by \$12.2 million, which can be seen below.

Table 3.4: FY 26 and FY 27 Health Insurance Costs

Health Insurance Costs					
Subobject	FY 26 NIFA Approved Budget	FY 26 Projected	FY 27 Proposed	FY 27 vs FY 26	
				Budget Variance	Projection Variance
14F - Health Insurance	\$213.0	\$113.5	\$117.9	(\$95.1)	\$4.4
31F - CSEA Health Insurance Active	0.0	93.5	95.4	95.4	1.9
Total Active Health Insurance	213.0	207.0	213.2	0.3	6.3
75F - Health Insurance for Retirees	202.3	213.2	214.5	12.2	1.4
Total Retiree Health Insurance	202.3	213.2	214.5	12.2	1.4
Grand Total Health Insurance Costs	\$415.3	\$420.1	\$427.8	\$12.5	\$7.6

As previously mentioned, the FY 27 Proposed Budget is \$7.6 million greater than OLBR's current projection for health insurance costs. In the current year, OLBR is projecting an overall shortfall of \$4.8 million for health insurance, this shortfall reflects a surplus in active insurance offset by a deficit in the retirees. The surplus within active health insurance can be attributed to the high number of vacant positions, which has recently increased as a result of the County's Voluntary Separation Incentive Program (VSIP). The shortage in the retiree budget is due to Medicare eligible rates increasing greater than the

6.0% budgeted assumption, in addition, to a greater number of employees that have recently retired. The ratio of retired to active employees has shifted from historical levels, contributing to rising retiree benefit costs.

According to the Office of Management and Budget (OMB), in the FY 27 Proposed Budget, the Administration reports that they assume a growth rate of 4.0% for both active and retiree health insurance costs. However, after the 4.0% has been incorporated the Administration has stated that savings have been built in the budget to partially offset this cost. It is not clear what these savings represent and why they were included in the budget.

Although the 4.0% assumption is lower than historical levels it appears reasonable when compared to the most recent analysis from New York State's benefit consultant's, AON. This report projects an overall blended growth rate of approximately 4.2% for the entire region. OLBR has worked up an analysis that projects health insurance costs using a 4.0% increase in premium rate for all employees in the County's Major Funds, and for Medicare eligible retirees. Based on current staffing levels, a 4.0% increase in rates could result in a potential shortfall up to \$8.0 million. This shortfall in the current year is being carried over into the FY 27 Proposed budget and out-year plan and as a result is being identified as a risk.

Since the estimate is based on current staffing levels, this shortage would increase further as budgeted vacancies are filled throughout the year. If the Administration is successful in hiring up to the budgeted headcount level, OLBR estimates the shortfall could grow to approximately \$18.0 million.

To offset any possible shortfalls, the Administration has appropriated \$40.0 million from the Operating Reserve Fund for health insurance costs. Although no funds were utilized in FY 26, this may be needed in FY 27 since the health insurance budget does not appear to be sufficiently funded.

Finally, the budget also includes a credit of (\$14.2) million **(AB14C)** in the Proposed FY 27 Budget for employees who are required to contribute to their health insurance coverage.

14C Employee Contributions

The 14C budget represents the employee's health insurance contribution required by the labor contracts, that is a percentage of a base members salary. The FY 27 Proposed Budget credit of (\$14.2) million has been enhanced by (\$1.5) million compared to the current year budget and (\$2.5) million compared to the current projection. The credit includes the 3.0% contribution from CSEA employees that became effective for all CSEA members on January 1, 2026.

13F Social Security

Social Security tax is comprised of two components: Old-Age Survivors and Disability Insurance (OASDI) and Medicare tax. The employer's contribution rate is 6.2% for OASDI and 1.45% for Medicare, which equals a combined rate of 7.65%. For FY 26, the OASDI portion is applied to salaries up to \$184,500 which is up \$8,400, or 4.8%, from \$176,100 in 2025, and higher than the rise of \$7,500 last year. Medicare has no maximum.

The social security limit for 2027 is projected to increase again by \$5,700 to roughly 190,200 in 2027 based on the projections from the Social Security Board of Trustees.⁵ This would increase the maximum amount someone could owe in taxes from \$11,439 to \$11,792.40. Over the past seven years, the wage base has climbed by roughly \$52,500, an increase of about 38%. The largest single year dollar increase of \$13,200 occurred in 2023, due to strong wage growth coming out of the pandemic period. However, growth has since moderated and the projected 2027 increase of \$5,700 would be more in line with typical adjustments.⁶

The Proposed Budget for social security is decreasing minimally by \$0.3 million compared to the FY 26 Budget, but it is increasing by \$3.2 million, or 4.0%, compared to the projection. In the current year OLBR is projecting a surplus of roughly \$3.5 million, due to an overfunded FY 26 social security budget. However, with a budgeted rise in FY 27 salaries, social security is also expected to rise since they are a function of salaries.

17F Optical Plan

This benefit provides optical insurance to full-time County employees. The County renewed its contract with Davis Vision in FY 22 for a five-year term. The contract is due to expire on December 31, 2026. Until a new contract is implemented, the rate remains at the annual per capita premium of \$110.40.

The FY 27 Proposed Budget is rising minimally by \$2,158 compared to the FY 26 NIFA Approved Budget, and by \$58,033, compared to the FY 26 projection. Based on the current staffing level, the budget appears adequate, however there could be a small shortfall if the Administration rises to the budgeted headcount figure of 7,621 in the Major Funds.

19F New York State Unemployment

The County is required to reimburse the State for all unemployment claims paid to former employees. The County provides quarterly payments to the State. The FY 27 Proposed Budget is increasing by 2.0% to \$1.8 million, compared to both the FY 26 budget and FY 26 projection. In the current year, OLBR is projecting unemployment to be at budget.

20F Dental Insurance

This benefit provides dental insurance to full-time employees. The County renewed its contract with Healthplex in FY 22, for a five-year term which will end on December 31, 2026. The annual premium per capita remains at \$561. However, it offers a “buy up” plan, for County employees who choose to contribute towards the cost of a PPO Plan, that would offer a broader range of coverage.

The FY 27 Proposed Budget is decreasing by \$92,000 compared to the FY 26 NIFA Approved Budget, however it is increasing by \$291,137 compared to the FY 26 current projection. The decrease compared to budget appears reasonable since there is currently a small surplus of \$0.4 million surplus being projected in the current year. The FY 27 Proposed budget is sufficient to cover the current staffing level, however, there is no additional funding available to cover the shortage if the Administration hires up to the budgeted headcount.

⁵ Posner, Jacob, “Social Security Tax Limit 2027: FICA Wage Base and Max Withholding.” [Benefits USA](#), July 11, 2026.

⁶ Ibid.

22F Medicare Reimbursement

The County provides quarterly payments to cover premium costs related to Medicare coverage for retired employees. Medicare part B premiums cover physician's services, outpatient hospital services, certain home health services, durable medical equipment and certain other medical and health services not covered by Medicare Part A. The Proposed FY 27 Budget is lower by \$2.6 million or, 7.7%, compared to the FY 26 NIFA Approved Budget, however it is more closely aligned with the current projection.

In FY 26, standard Medicare Part B premiums are \$202.90 per month for individual salaries up to \$109,000 and joint salaries up to \$218,000. The monthly Part B premiums that include income-related adjustments will range from \$284.10 up to \$689.90, depending on the extent to which an individual beneficiary's modified adjusted gross income exceeds \$109,000 (or \$218,000 for a married couple).⁷

The standard Medicare Part B premium is forecasted to rise up to \$209.5 per month in 2027, based on the 2026 Medicare Trustee Report. The report projects premiums rising faster in the years after 2027. The average annual increase over the following eight years is expected to be more than double the 2027 rise, driven by higher healthcare utilization, rising provider payments and demographic shifts as people age into Medicare.⁸

Healthcare spending is climbing due to high demand for advanced outpatient procedures and the utilization of groundbreaking, high-cost medical treatments, such as advanced therapies for Alzheimer's and popular GLP-1 medications.

22S Medicare Reimbursement Surcharge

The Proposed FY 27 Budget for the Medicare Reimbursement surcharge is increasing slightly by \$40,472, budget to budget and compared to the current projection.

26F Flex Benefits Plan

All Nassau County employees have the option of contributing a portion of their salary to a flexible spending account for either healthcare or daycare expenses. This allows the employee to use pre-tax dollars on health care costs such as co-pays and deductibles. The FY 27 proposal is increasing by \$500,000 to \$2.7 million compared to the FY 26 budget, however it is consistent with the OLBR's projection, which is producing a shortfall in the current year. The FY 26 budget includes corresponding revenue to offset the expense for the same budgeted amount.

35F MTA Mobility Tax

The New York State budget eliminated the MTA Mobility Tax for local municipalities. This Metropolitan Commuter Transportation Mobility Tax (MCTD) is a tax imposed on certain employers and self-employed individuals engaging in business within the metropolitan commuter transportation district (MCTD).

⁷"2026 Medicare Parts A & B Premiums and Deductibles," [Centers for Medicare & Medicaid Services \(CMS.gov\)](https://www.cms.gov/Newsroom/Fact-Sheets/2026-Medicare-Parts-B-Premiums-Deductibles), "www.CMS.gov/Newsroom/Fact-Sheets/2026-Medicare-Parts-B-Premiums-Deductibles."

⁸ Posner, Jacob, "Medicare Costs 2027: Projected Premiums and Deductibles," [BenefitsUSA.Org](https://www.benefitsusa.org/). July 3, 2026."

40F CSEA Legal Plan

The FY 27 budget includes \$530,784 for the CSEA legal plan, which is a minimal decline of \$3,442 budget to budget, but a rise of \$10,409 compared to the current projection. As per the CSEA agreement, the County shall pay for each full-time and regular part-time employee the sum of \$125 annually.

41F COBA Legal Plan

The FY 27 budget includes \$88,995 for the Correctional Officer Benevolent Association (COBA) legal plan as per the COBA contract agreement. The Proposed Budget is only \$1,913 less than the current year budget, but it is \$1,745 greater than the FY 26 projection.

45F Disability Insurance

The Proposed FY 27 Budget includes \$56,182 for providing New York State disability insurance to CSEA unit members, which is a very slight increase of \$1,102 compared to the current year's budget and the current projection.

76F Employees Optical for Retirees

This benefit provides optical coverage for retired County employees. The County's cost to provide optical insurance coverage to retired employees is the same as the cost to provide insurance for current employees, which is \$110.40 per person. The FY 27 proposal of \$857,321 is relatively unchanged compared to the NIFA FY 26 Approved Budget, however it is decreasing by \$17,930 compared to the FY 26 projection. Based on the current projection, the budget could potentially fall short by a similar amount.

ZZO Capital Backcharge Overtime Fringes

Similar to the current year, the Proposed FY 27 Budget includes a credit of (\$315,112) which is the corresponding fringe benefit charge related to overtime salary chargeback.

ZZS Capital Backcharge to Fringes

The FY 27 proposal includes a credit of (\$3.3 million) which is the corresponding fringe benefit charge associated with the salary chargeback. The credit has been enhanced by \$64,600 compared to the current year budget.

Multi-Year Plan

Table 3.5: FY 27 Proposed-FY 30 Multi-Year Plan

SubObject & Description	2027 Proposed	2028 Plan	2029 Plan	2030 Plan
	Budget			
AB08F - NYS Police Retirement	167,681,821	163,852,326	167,091,730	170,388,002
AB11F - State Retirement Systems	108,559,257	106,072,803	113,085,173	117,317,358
AB13F - Social Security Contributions	82,584,708	84,236,402	85,921,130	87,639,553
AB14C - Employee Contributions	(14,196,509)	(14,495,218)	(14,701,008)	(14,941,474)
AB14F - Health Insurance	117,856,984	122,571,263	127,474,114	132,573,078
AB16G - County Exp	42,000	42,000	42,000	42,000
AB17F - Optical Plan	791,339	791,339	791,339	791,339
AB19F - New York State Unemployment	1,774,922	1,810,420	1,846,629	1,883,561
AB20F - Dental Insurance	3,990,232	3,990,232	3,990,232	3,990,232
AB22F - Medicare Reimbursement	30,987,307	31,582,053	32,188,694	32,807,468
AB22S - Medicare Reimbursement Surcharge	3,778,936	3,778,936	3,778,936	3,778,936
AB26F - Flex Benefits Plan	2,700,000	2,700,000	2,700,000	2,700,000
AB31F - CSEA Health Insurance Active	95,373,975	99,188,934	103,156,491	107,282,751
AB40F - CSEA Legal Plan	530,784	541,400	552,228	563,272
AB41F - COBA Legal Plan	88,995	90,775	92,590	94,442
AB45F - Disability Insurance	56,182	57,306	58,452	59,621
AB75F - Health Insurance for Retirees	214,544,725	222,601,514	230,980,575	239,694,798
AB76F - Employees Optical for Retirees	857,321	857,321	857,321	857,321
AB98G - Fringes Allocable to Grants	(789,489)	(805,279)	(821,384)	(837,812)
ABZZO- Cap Backcharge OT Fringes	(315,112)	(321,414)	(327,843)	(334,399)
ABZZS- Cap Backcharge ST Time Fringes	(3,294,600)	(3,360,492)	(3,427,702)	(3,496,256)
Grand Total	813,603,778	\$825,782,622	\$855,329,698	\$882,853,791

Fringe benefits will increase by \$69.3 million, or 8.5%, from \$813.6 million in the Proposed FY 27 Budget to \$882.9 million in FY 30 of the MYP.

- Health insurance expenses for active and retired employees from FY 27 to FY 30 are projected to increase by \$51.8 million to \$479.6 million. According to the Administration, the baseline inflator used to project out-year health insurance costs includes a recurring 4.0% for active employees and retirees throughout the out-years of the Plan. The inflators appear low compared to the historical five-year average of 8.5% for active and 9.7% for Medicare Eligible insurance.
 - Based on the 4.0% inflator assumed in the Multi-Year Plan, there is a potential shortfall of a recurring \$8.0-\$10.0 million throughout all years of the MYP.
 - However, if the inflators come in closer to the historical averages, the FY 27 budget could fall short by roughly \$25.0 million, which could grow by four times that amount in FY 30.
- In FY 27, \$40.0 million has been set aside in the Operating Reserve Fund, to fund potential insurance shortfalls. If this reserve is not used in FY 27, it may be available in the out-years of the plan.
- Pension costs for ERS and PFRS are decreasing by \$6.3 million in SFY 2027-28, however they are increasing by \$10.3 million in FY 29, and by \$7.5 million in FY 30. The New York State Comptroller provides a projected invoice for SFY 2027-28 with estimated costs. Based on the projected invoice from the State, the MYP does not sufficiently fund expenses in FY 28, which would carry the shortfall through FY 30. The projected bill reflects an increase of roughly \$9.4 million compared to the current estimated SFY 26-27 bill.
- The Proposed FY 27 Budget for social security is increasing annually by roughly \$1.7 million in the out-years for a total increase of \$5.1 million by FY 30. Social security is a function of salaries.

4. Sales Tax

Sales tax is the County's largest single revenue source. The State collects the tax and distributes the County's share regularly. Nassau County's current sales tax rate is 8.625%: 4.0% for the State, 4.25% for the County, and 0.375% for the Metropolitan Commuter Transportation District. The County distributes one-seventeenth of its collections among the towns of Hempstead, North Hempstead, and Oyster Bay and the cities of Glen Cove and Long Beach. In addition, the incorporated villages receive a total annual allocation of \$1,250,000, distributed on a per capita basis.

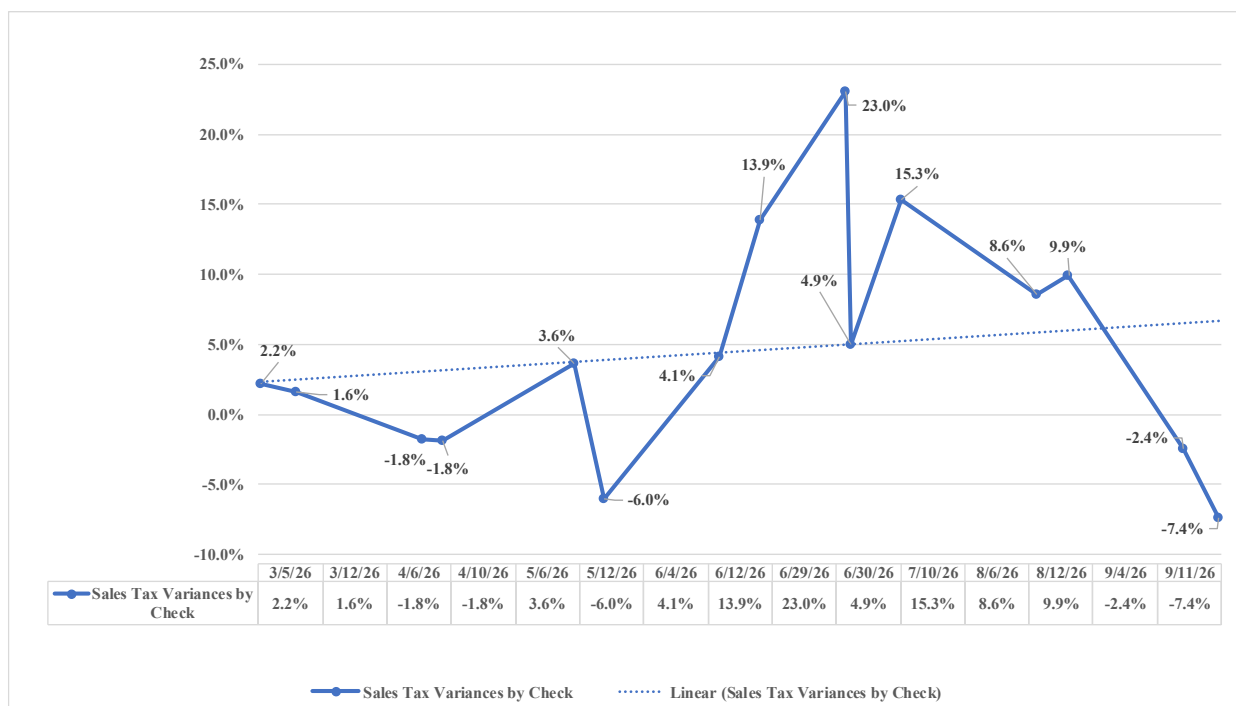
Year-to-date collections through the September 11, 2026, sales tax check are 4.1% higher than at the same point last year, as shown in Table 4.0.

Table 4.0: Growth in Current Sales Tax Checks

Sales Tax Receipts 2026 Vs. 2025 (figures in millions)				
	2025	2026	Variance \$	Variance %
Gross YTD Sales Tax	\$967.6	\$1,007.5	\$40.0	4.1%

Check-to-check sales tax growth has been volatile, with substantial swings between payments. The two most recent checks, however, have shown declines. If that pattern continues, it could weaken the County's financial position because the County relies heavily on this revenue source. The chart below shows the changes in check-to-check growth beginning with the March 5, 2026, payment.

Chart 4.0: Sales Tax Variances by Check



Given the size of this revenue source and its effect on the budget, OLBR compiled the table below to help the Legislature evaluate how the Administration developed its sales tax estimate. The FY 27 Executive Budget proposes \$1,713.2 million in sales tax revenue, with no budgeted deferrals. This amount represents annual growth of 2.9% over OMB's current FY 26 projection.

Table 4.1 presents the proposed FY 27 sales tax budget and the estimates for the remaining years of the Multi-Year Plan. The FY 27 estimate is 2.9% above the Administration's FY 26 projection. The Plan assumes growth of 3.3% in FY 28 and 3.0% in both FY 29 and FY 30.

Table 4.1: Proposed Sales Tax Budget Calculations and Multi-Year Plan

(figures in millions)

2026 OMB Projected	2027 Budget without Deferrals	2028 Budget without Deferrals	2029 Budget without Deferrals	2030 Budget without Deferrals
1,664.8	1,713.2	1,769.1	1,822.2	1,876.9
	2.9%	3.3%	3.0%	3.0%
OMB's Calculations and Proposed Budget and Plan				

OLBR begins its sales tax estimate with actual year-to-date collections and then applies a growth rate to the remaining checks based on available economic data. Under this method, applying 2.0% growth to the remaining FY 26 checks and 2.1% growth to the resulting FY 26 projection produces an FY 27 estimate below the Proposed Budget. Meeting the FY 27 budget would therefore require growth above the rates currently forecast by Moody's and many other analysts. The 2.1% assumption reflects the average FY 27 Gross Domestic Product (GDP) growth forecast among major economic forecasters. Moody's currently projects FY 26 & FY 27 Gross County Product (GCP) growth of 1.9% and 1.8% respectively, slightly below the corresponding GDP forecasts of 2.0% and 2.1%.

Because year-to-date sales tax collections have exceeded Moody's forecast, OLBR considers the GDP assumption reasonable. As mentioned earlier, the Year-to-Date growth is 4.1%. However, if economic indicators are correct, and receipts grew by the 2.1% consensus GDP forecast, collections could fall approximately \$21.4 million short of the FY 27 Proposed Budget. Table 4.2 presents several sales tax scenarios based on different growth rates.

Table 4.2: FY 27 Sales Tax Scenarios

(figures in millions)

2026 Projection	2.1% growth	2.5% growth	3.0% growth	3.5% growth
\$ 1,657.0	\$ 1,691.8	\$ 1,698.4	\$ 1,706.7	\$ 1,715.0
Surplus/Deficit	\$ (21.4)	\$ (14.8)	\$ (6.5)	\$ 1.8

Recent national and regional forecasts indicate continued economic growth for Nassau County in FY 26, FY 27, and FY 28. A survey of current U.S. Gross Domestic Product (GDP) forecasts projects average national growth of 2.0% in FY 26, 2.1% in FY 27, and 2.0% in FY 28.

By comparison, Moody's August forecast projects regional growth of 1.9% in FY 26, 1.8% in FY 27, and 1.9% in FY 28. Table 4.3 summarizes the current forecasts.

Table 4.3: Survey of Current U.S. GDP Forecasts

Current Real US GDP 2026 - 2028 Forecasts			
	2026	2027	2028
Fannie Mae	2.0%	2.5%	N/A
Mortgage Bankers Association	1.8%	1.7%	1.8%
Federal Reserve Bank - Phil.	2.1%	2.2%	2.1%
The Conference Board	1.9%	1.8%	2.0%
Wells Fargo	2.3%	2.5%	N/A
Average US GDP Forecast	2.0%	2.1%	2.0%
Moody's GCP Forecast	1.9%	1.8%	1.9%

The proposed FY 27 budget and the remaining years of the Multi-Year Plan also include interfund transfers of sales tax revenue. In FY 27, the County will transfer \$347.4 million from the General Fund to the Police Headquarters Fund. The amount transferred is projected to increase over the course of the Multi-Year Plan.

The County is scheduled to receive the final sales tax check for the third quarter on October 9, 2026. OLBR will then update its projection of total FY 26 sales tax collections.

5. FUND BALANCE

For presentation purposes the funds are shown to correlate with the itemization used in the Annual Comprehensive Financial Report (ACFR). Historically, the Total General Fund represented the sum total of the General Fund, Debt Service Fund, Fire Commission Fund, Police Headquarters Fund, Technology Fund, Open Space Fund, Employee Accrued Benefit Liability Fund, Litigation Fund, Retirement Contribution Reserve Fund, Bonded Indebtedness Fund, Nassau County Power Utility Authority Fund and Opioid Litigation Settlement funds. The Operating Reserve Fund was added in FY 23. To calculate the Total Governmental Funds amount, the NIFA, Police District, Sewer, Dispute Assessment, Capital, Non-Major Funds and American Rescue Plan Fund are added to the Total General.

Table 5.0 itemizes the County's actual fund balance levels from FY 23 through FY 25, along with a projection of the FY 26 and FY 27 current appropriations/usages. All figures are shown on a **budgetary** basis.

Table 5.0: Budgetary Basis Year End Balance 2023 to 2025 & Office of Management and Budget (OMB) Projected Year-End 2026-2027 figures

Budgetary Basis Year End Fund Balance, 2023 to 2025 Actuals, 2026 Projection & 2027 Appropriation in thousands								
	2023	2024	2025	2025 vs. 2024	2026 Usage	2026 Projected	2027 Projected Usage	2027 Projected
General Fund	290,553	389,896	419,793	29,897		419,793		419,793
Debt Service Fund	0	0	0	0		0		0
Fire Commission Fund	0	0	0	0		0		0
Police Headquarters Fund	0.0	0.0	0	0		0		0
Technology Fund	88	92	96	4		96		96
Open Space Fund	2,016	2,110	2,193	83		2,193		2,193
Employee Benefit Fund	44,899	86,112	89,217	3,104		89,217	(25,000)	64,217
Litigation Fund	269,420	351,209	267,601	(83,607)		267,601	(101,000)	166,601
Operating Reserve Fund	94,034	136,969	136,951	(19)		136,951	(82,500)	54,451
Retirement Contribution Fund	72,872	86,048	89,212	3,164		89,212	(75,000)	14,212
Bonded Indebtedness Fund	63,026	80,573	64,693	(15,880)		64,693	(45,000)	19,693
Nassau County Power Utility Authority	(183)	(177)	206	383		206		206
SRF Excess Sales Tax	0	0	0	0		0		0
Opioid Litigation Settlement	85,559	88,581	79,930	(8,652)		79,930	(15,500)	64,430
Unreconciled*	5	0	0	0		0		0
Total General Fund	922,290	1,221,414	1,149,891	(71,523)	0	1,149,891	(344,000)	805,891
NIFA	0	0	0	0		0		0
Police District	118,006	120,658	111,034	(9,624)		111,034		111,034
Sewer	68,063	83,726	74,547	(9,180)	(19,404)	55,143	(27,206)	27,936
Dispute Assessment Fund DAF	14,351	20,220	27,129	6,909		27,129		27,129
Capital	0	0	10,259	10,259		10,259	(2,000)	8,259
Non Major	1,145	406	739	333		739		739
American Rescue Plan	11,066	(13,950)	13,600	27,550		13,600		13,600
Total Governmental Funds Budget Balance	1,134,921	1,432,475	1,387,199	(45,275)	(19,404)	1,367,795	(373,206)	994,589

The projections in the above table take the FY 25 year-end as a starting point and then add or subtract FY 26 and FY 27 appropriated uses incorporated in the FY 26 OMB Mid-year projections and the Proposed FY 27 Budget.

The County ended FY 25 with a balance of \$1,387.2 million in Total Governmental Fund balance. This was a \$45.3 million budgetary decrease from FY 24. Several of the funds recorded decreases in FY 25 with the largest decline occurring in the Litigation Fund, specifically \$83.6 million. Other funds with declines are Bonded Indebtedness, Police District, Sewers and Opioid Litigation Settlement funds. Significant increases occurred in the General Fund with \$29.9 million followed by the American Rescue Plan with \$27.6 million and Capital Reserve of \$10.3 million.

From a Major Fund perspective (General, Debt Service, Fire Commission, Police Headquarters and Police District), the County ended FY 25 with a balance of \$530.8 million, an increase of \$20.3 million from FY 24.

The FY 26 OMB Mid-year projection anticipates the usage of \$19.4 million in the Sewer Fund.

In FY 27 the Proposed Budget reflects the appropriation of \$101.0 million in the Litigation Fund, \$82.5 million in Operating Reserve Fund, \$45.0 million in Bonded Indebtedness Fund, \$75.0 million in Retirement Contribution Fund, \$25.0 million in Employee Benefit Fund, \$27.2 million in the Sewer Fund, \$15.5 million in Opioid Litigation and \$2.0 million in the Capital Fund. It is important to note that amounts represent appropriations that may or may not be used. However, the inclusion of these amounts is seen as offering financial flexibility should the need arise. These FY 26 and FY 27 additions and usages are captured in the chart.

Additionally, the County is required to report its annual financial results on a Generally Accepted Accounting Principles Basis (GAAP basis). The County's year-end GAAP results are reflected in the Comptroller's annual ACFR report. Moreover, per Governmental Accounting Standards Board (GASB) statement number 54, the reserved and unreserved classifications of fund balance were eliminated and replaced with five new classifications, non-spendable, restricted, committed, assigned, and unassigned.

The definition for each category is summarized below:

- The non-spendable balance reflects amounts that can't be spent because they are either not in a spendable form, will not convert to cash within the current period, or are legally or contractually required to be maintained intact.
- The restricted balances are restricted to specific purposes by external parties.
- The committed funds are constrained for specific purposes pursuant to formal action by the government's highest level of authority, the County's Legislature. The funds may not be used for any other purpose unless the constraint is changed by a similar action passed by the Legislature (Ordinance / Resolution).
- The assigned funds are constrained by the government's intent to be used for a specific purpose. The County Legislature may assign fund balance via approval of the annual budget. The assignment generally only exists temporarily, and no additional action is required for the removal of an assignment.
- The unassigned funds show the residual classification for the General Fund.

Table 5.1 on the next page displays these GAAP based financial results from 2023 through 2025.

Table 5.1: GAAP Results FY 23-FY 25

Total Gov't GAAP by Type, Exhibit X-14 Note 16	2025	2024	2023	2025 vs 2024
Non-Spendable	\$150.6	\$145.3	\$103.3	\$5.3
Spendable:				
Restricted	499.6	509.6	350.4	(10.1)
Committed	644.1	596.3	556.6	47.7
Assigned	204.5	388.9	353.4	(184.4)
Unassigned	76.1	79.4	61.8	(3.3)
Total Gov't GAAP	\$1,574.8	\$1,719.6	\$1,425.5	(\$144.7)

The Comptroller reports that the County ended FY 25 with a positive \$76.1 million **Unassigned** Fund Balance. When compared to the FY 24 year-end balance, the Total Governmental GAAP fund balance declined by \$144.7 million in FY 25. The positive number represents the flexibility that could be utilized should the County need to and is also viewed positively by rating agencies.