



# **THE NEW YORK STATE PUBLIC EMPLOYEES FEDERATION TESTIMONY**

Workforce Development Joint Legislative Budget Hearing

2020-2021 Executive Budget Proposal

February 2, 2021

Wayne Spence, President

Good afternoon Chairpersons Krueger, Weinstein, Gounardes, Abbate and other committee members. My name is Wayne Spence and I am the President of the Public Employees Federation (PEF). I want to thank you for the opportunity to speak to you on behalf of our 52,000 members about the potential impact of the Executive Budget if adopted without modification. Our union is made up of professional, scientific and technical experts who provide critical services to the residents and taxpayers of New York State. Serving as the state's frontline essential workers during the COVID-19 pandemic, my members have risked their lives and those of their families to maintain the continuity and quality of services to New York's most vulnerable citizens. Our members care for the elderly, disabled individuals, the sick and the infirm; they work to ensure the state's roads and bridges are safe and secure; they help to rehabilitate those who have violated the law and to counsel and provide safety net services for at-risk youth. Our members take a great deal of pride in their work because they professionals and they care.

**I. PUBLIC EMPLOYEES HAVE BEEN THE BACKBONE OF THE STATE'S COVID-19 RESPONSE**

I would be remiss if I did not begin this discussion by highlighting the fact that PEF members have been at the forefront of the state's response to the COVID-19 pandemic. Despite chronic shortages of personal protective equipment, inaccurate guidance on appropriate safety protocols, a lack of off-site housing, the imposition of mandatory overtime and forced redeployments, PEF members have filled the breach to keep their clients and all New Yorkers as safe as possible during this crisis.

Unlike many of the essential employees in private industry, my members have received no recognition or remuneration for their selfless and dedicated service. In fact, this proposed

budget seeks to privatize the critical public services they provide, relocate their jobs to other regions of the state and cut the health insurance benefits that they have earned as faithful and dedicated public servants.

New Yorkers learned the importance of government and the need for enhanced government capacity during this crisis. How many of the state's private service contractors were performing their contractual responsibilities or servicing taxpayers at the height of this pandemic? New York needs to learn a lesson from this experience. New York needs to develop greater capacity to deliver services and to address the current and future disasters in a timely, efficient and cost-effective manner -- that cannot be achieved with private contractors performing public services.

## **II. STAFFING CUTS SLOW SERVICES AND DISPROPORTIONATELY HARM VULNERABLE NEW YORKERS**

PEF has been raising concerns about short staffing for almost a decade. In many ways, we believe the pandemic exposed many of the shortcomings of the staffing plan that is operational in many of the state agencies, especially those that deal directly with caring for the state's most vulnerable residents like the SUNY Hospitals, OPWDD, OMH and OCFS. Now, the Executive is proposing to cut programs and services and further reduce state agency staffing by more than 800 positions.<sup>1</sup> As it stands today, my members feel underappreciated, undervalued, understaffed, and over-worked due to years of chronic underfunding and understaffing in the state agencies. If enacted, these changes would further exacerbate these challenges. While our members are dedicated professionals who love their jobs, they are

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<sup>1</sup> 2022 Executive Budget Briefing Book, *State Workforce*, <https://www.budget.ny.gov/pubs/archive/fy22/ex/book/briefingbook.pdf>

suffering from fatigue and low morale in virtually all agencies and fields. We believe this is a result of the state's continued over-reliance on expensive consultants to do the work our highly trained and qualified members should be doing and the continued erosion of the civil service system under which the state is legally required to operate.

Let me be clear, the reduction of 800 positions from state service will negatively impact the services your constituents receive. These cuts will result in fewer mental health professionals to treat those in crises, longer waits for filing unemployment insurance claims or renewing motor vehicle registrations, fewer parole officers to keep formerly incarcerated individuals on the path to a seamless reintegration back into their communities and fewer inspectors to ensure the safety and quality of the state's roads and bridges to name a few.

This budget continues the disturbing trend of using private for- and not-for-profit entities to do the work once done by the state's highly qualified and competent workforce. While OITS, OMH, OPWDD, OCFS and DOT remain the top offenders, many other State agencies continue to outsource services and jobs without ever demonstrating need, reduced costs, expedited timelines or improved outcomes. We believe that the state workforce – hired under the statutorily-based and century-old civil service system -- is best suited to deliver public services to the residents and taxpayers of this state. Continuing to divert services and resources to private entities at the expense of the state's most at-risk residents, who are dependent upon the state for services, is detrimental to clients, state workers and taxpayers.

The majority of positions are cut from the Office of Children and Family Services (-285), the Department of Corrections and Community Supervision (-800) and Office of Mental Health (-446). While the Executive Budget does propose increased staffing in certain other agencies to address the authorization of adult use cannabis among other areas, service and staffing reductions

in OCFS, DOCCS and OMH will directly result in decreased services for New York's most at-risk residents. We are pleased that the state plans to curtail its use of costly outside consultants by approximately \$75.5 million. And, while the Governor proposes a reduction of 239 FTE consultants, New York will still employ more than 8,000 FTE consultants and spend more than \$1 billion on outside service contracts.<sup>2</sup> If there is a fiscal and workforce analysis affirming the fiscal efficacy of this practice, taxpayers would like to see it published.

The continued use of outside consultants is also costing the state the opportunity to enhance its internal professional capacity which would clearly achieve long-term, reliable and systemic budgetary savings and improve services for New York's most vulnerable residents. PEF members can and do provide the professional services needed by New Yorkers at a more reasonable cost than independent for-profit corporate employees. We believe that taxpayer dollars are best invested on employing and training individuals who have been selected under the state's civil service system, not systems subject to favoritism and political cronyism. It makes little sense to invest finite resources on outside consultants when you employ a cadre of dedicated and professional employees who are dedicated to their craft and the people they serve.

### **III. PRIVATIZATION OF MENTAL HEALTH SERVICES AND ELIMINATION OF AT-RISK YOUTH SERVICES UNDERCUT EFFORTS FOR SYSTEMIC CMINIAL JUSTIC REFORM**

In lieu of generating appropriate revenues to spread the burden of addressing this crisis fairly, the Governor has offered a short-sighted proposal that privatizes various mental health, at-

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<sup>2</sup> 2022 Executive Budget, Agency Presentations, *Consulting Service Contracts*, <https://www.budget.ny.gov/pubs/archive/fy22/ex/agencies/pdf/consultingservicecontracts.pdf>

risk youth counseling and other services and closes several state facilities to help balance this year's budget. The closure of state facilities, especially those facilities that provide specialized mental health and other services for the state's most at-risk youth, severely undercuts the state's laudable long-term goal of addressing criminal justice reform in a meaningful and lasting way. The state cannot hope to reduce the long-term correctional facility census without providing enhanced mental health, rehabilitation and other services to those youth and others who have demonstrated proclivities and activities that, left unabated, will likely lead to serious interactions with the criminal justice system.

The majority of individuals the state serves have serious family and psychological issues that require intensive and costly mental health, counseling, education, vocational training, health care services. Private service providers must adhere to organizational operating costs in rendering care and this can lead to gaps in needed services for the most difficult, time consuming and resource intensive cases. The privatization of these services interrupts the continuity and quality of care and puts the long-term prospects for these troubled youth and individuals into question and may require more cost-intensive programming for the state in the future. We cannot forget that the services provided by the state – especially those cost-intensive services rendered by OMH, OPWDD, OASAS and OCFS – are the very last service option for people in serious crisis. Without those services being accessible in every region of the state, many of these people will be left untreated increasing the chances of interactions with the criminal justice system.

Given the critical nature of the personal services the staff at these agencies provide to New York's most at risk individuals and youth, a simple comparison of the 2010 and 2020 NYS

Workforce Management Reports reveal a disturbing trend in the reduction of these needed services for New York’s most vulnerable citizens.

**NY State Human Resource Allocation for At-Risk New Yorkers**

|              | <b>Staffing<br/>2010<sup>3</sup></b> | <b>Staffing<br/>2020<sup>4</sup></b> | <b>Diff</b> | <b>Percent<br/>Decrease</b> |
|--------------|--------------------------------------|--------------------------------------|-------------|-----------------------------|
| <b>OCFS</b>  | 3,750                                | 3,268                                | -482        | 13%                         |
| <b>OASIS</b> | 941                                  | 900                                  | -41         | 4%                          |
| <b>OMH</b>   | 17,566                               | 14,640                               | -2,916      | 17%                         |
| <b>OPWDD</b> | 23,973                               | 20,371                               | -3,602      | 15%                         |

Unfortunately, this year’s budget continues this disturbing trend of downsizing and privatizing the very services that could help transform New York’s criminal justice and social services systems to enhance the state’s social welfare safety net.

The Executive cites underutilization at the facilities targeted for closure, however, there are several important factors inherent in the consideration of these claims:

A. COVID-19: Many, even those with the most severe conditions, have shied away from seeking residential or other treatment for fear of contracting and spreading the virus. In fact, we know that residents at nursing homes and other congregate settings are high risk areas for contracting the virus.

B. Management Direction: We know that at certain facilities, management has directed staff to NOT place clients in certain programs targeted for closure. Additionally, we know that regional hospitals continue to seek placements of individuals in psychiatric and other programs. The extent of this practice and the role it plays in the determination to close or consolidate the facilities below are not obtainable. However, it seems counterintuitive that during a global

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<sup>3</sup> 2010 New York State Workforce Management Report; <https://www.cs.ny.gov/businesssuite/docs/workforceplans/2010.pdf>

<sup>4</sup> 2020 New York State Workforce Management Report; <https://www.cs.ny.gov/businesssuite/docs/workforceplans/2020.pdf>

public health crisis, fewer persons would require psychiatric support. Additionally, as the state works its way to reevaluate its criminal justice system and reduce its prison population that fewer services would be recommended or needed for troubled youth.

C. Pent-Up Demand for Services: Mental health experts agree that the pandemic has aggravated the mental health issues affecting thousands of New Yorkers. Additionally, data indicates that the pandemic has affected minority and poor communities on a much greater scale in terms of deaths, illnesses, community spread and the mental health challenges that stem from the stresses associated with these factors. Even before what many have termed the “dark winter,” Governor Cuomo stressed the effects of COVID-19 fatigue, “It is frightening, COVID, and it has caused significant anxiety among many people....Yes, we see it in the numbers, you see it in substance abuse, you see it in domestic violence, you see it in the number of people calling for mental health treatment.”<sup>5</sup> The move to telehealth provides great advantages for treatment during a pandemic, but will it provide the appropriate level of mental health support after the pandemic is over?

The Executive has offered no additional funding to provide enhanced services to troubled youth, the mentally ill, those experiencing mental health issues from the stress of the pandemic or those who are on or nearing parole to help them build a path to success outside of an institutional setting. The following additional closures and consolidations have been advanced in this year’s Executive Budget. We ask that the Legislature to consider if the staffing reductions that have been effectuated to date, the additional 800 reductions proposed in this year’s budget,

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<sup>5</sup> <https://www.nbcnewyork.com/news/coronavirus/cuomo-says-mental-emotional-stress-caused-by-covid-fatigue-is-serious-problem/2680467/>



the privatization of various mental health services and the elimination of various regional service centers meets the needs of the state and its most vulnerable citizens when our collective goal is to help them lead successful lives.

**A. Closure of Rockland Children’s Psychiatric Center (S.2507/A3007: Health and Mental Hygiene - Part X)**

This proposal authorizes the Commissioner of Mental Health to unilaterally “close, consolidate, reduce, transfer or otherwise redesign services of hospitals, other facilities and programs operated by OMH and to implement significant service reductions and reconfigurations.”<sup>6</sup> While the supporting documentation calls for the closure of the Rockland County Children’s Psychiatric Center, this language authorizes actions well beyond this facility.

The closure of this 9 year old facility, which provides intensive, individualized inpatient and residential treatment for mostly low income children and youth with serious mental health issues. This is the only state run children's hospital south of Albany serving 6 counties - Orange, Putnam, Rockland, Ulster, Dutchess and Westchester.

This facility was originally designed with a 56 bed inpatient capacity. It was subsequently reduced to 20 beds. While the Executive points to lower utilization, staff indicate that they regularly receive several calls a day from area hospitals to treat severely ill individuals on either an outpatient or residential basis. It is important to note that most of the referrals received by the facility are low-income patients and families in serious crisis. Private facilities refer these cases because they are ill-equipped operationally and financially to address with these

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<sup>6</sup> Executive Health and Mental Hygiene Budget Proposal (S.2507/A.3007) - Part X

cost-intensive cases as they often present such serious conditions that they are cost-intensive because they require longer hospital stays for stabilization.

In the end, family involvement is critical to the psychiatric stability and overall well-being of the mentally ill children served at RPCH. Absent this facility, mentally ill youth would need to locate other, more distant private mental health service providers. Driving 2 hours from Ulster County to visit a child in Bronx will put undue burden on low-income parents and caregivers.

We urge the Legislature to reject closing the Rockland Children's Psychiatric Center; we urge the Legislature to reject giving the Commissioner the unilateral authority to change the state's existing mental health service deliver model as outlined in the proposal.

**B. Consolidation/Closure of OCFS Community Multi-Services Offices (CMSO):**

In order to achieve \$1.8 million in savings, the Executive proposes the consolidation of four CMSOs.<sup>7</sup> These regional facilities provide community supervision and family engagement and support services for troubled youth in residential placement and after their return to the community. Under the proposal, the Executive would close the CMSO offices in Binghamton and Watertown and consolidate all of the New York City Offices to delivers services from a single facility in Brooklyn. In order to addresses the deliver of these needed services, the Executive Budget proposes that youth currently receiving services in Binghamton travel 90 minutes to the CMSO in Syracuse and those who are receiving services in Watertown travel 90 minutes to the CMSO in Utica.

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<sup>7</sup> Letter to staff from OCFS Commissioner Sheila Poole, January 21, 2021.

These programs are tailored to address the needs of troubled youth who are often confronted with the most challenging personal and familial situations. Many of these children do not have support to meet their most basic needs, let alone transportation to and from a social service facility 90 minutes away.

As the state rightfully attempts to move away from incarceration as a means to rehabilitate troubled youth, it is counter-intuitive to cut locally-based programs designed to support these individuals as they build a path to reintegration back into their families and communities. Early investments to address the issues of at-risk youth are important to controlling long-term costs for incarceration and other needed services. To be successful in the laudable goal of rehabilitating troubled youth and other citizens, the state of New York must invest in them.

We urge the Legislature to reject the closure of the CMSO facilities and to recommit to investing in these and other programs to deliver services regionally across the state.

**C. Closure of State-Operated Facilities For At-Risk Youth (S2506/A.3006: Education, Labor and Family Assistance Budget – Part H):**

In order to achieve \$21.9 million in operational savings and a projected \$14 million in capital costs from 2021-2022, the Executive proposes to close four facilities for at-risk youth facilities – the Goshen Secure Center, Redhook Non-Secure Residential Center, Brentwood Non-Secure and Columbia Secure Center. The Executive proposes closure because crime is down and only 50 of the 142 beds available are currently being utilized. The Article VII legislation submitted with the Budget also removes the one-year notice requirement to allow these facilities to close in the fall of 2021.

These programs are cost-intensive because of the unique populations that they serve. These programs provide treatment, rehabilitation and training for unique populations of at-risk youth with serious challenges so that they will be successful when reintegrating back their families and/or communities.

For example, the Goshen Secure Facility is a unique environment that provides youth with learning, relearning and self-reflection skills that will enable successful re-entry. The facility houses boys who committed certain violent felonies, mainly sex offences, who have been convicted and sentenced in adult criminal court and juvenile delinquents who have committed violent acts. The staff provide an array of specialized education and individualized services to help these youth build a path forward for reintegration back into their households and communities. Goshen Secure can be a very challenging environment in which the population is learning to handle their personal issues that have led to legal problems. Even in this secure environment, the frustration of the situation often lead these youth to cause harm to staff. Without consistent strategies from personnel that are trained and equipped, these youth will face a more challenging future. Redhook Non-Secure focuses on trauma-informed care for boys 12-18, many of whom are LGBTQIA, who have been placed in OCFS custody by family court.

Brentwood Non-Secure and Columbia Secure Center are girls programs and there are serious concerns that these programs may be consolidated into programs that are currently all male. The girls in these facilities have confronted unthinkable horrors and most have been trafficked, or raped (often by a family member). The staff at these facilities have extensive training to handle these issues, while private facilities do not have the capacity, operating budgets or professionally trained staffing to address these challenges effectively.

All of these programs provide a full array of counseling, education, vocational training, health care, mental health and other services to ensure that these most at-risk youth have the support necessary to lead productive lives. We have serious concerns about the integration of these different, unique populations successfully and the risks associated with mixing these populations. We have additional concerns regarding the continuity and quality of the operating these specialized programs in different facilities.

The challenge with this Executive's argument on under-utilization is that the data on crime is looking back, not forward. In fact, law enforcement officials around the country are sounding an alarm about the rise in juvenile offenses stemming mainly from the impact of the COVID-19 shutdowns and remote learning.<sup>8</sup> The Executive also fails to detail why these facilities are underutilized and fails to indicate that they are not successful in meeting their missions. Similar to the utilization rates cited in support of the closure of other state facilities, it is important to note why utilization rates may be down.

We urge the Legislature to reject the closure of these youth facilities and to recommit to investing in these and other programs that deliver needed services which will help these troubled youth stay out of the criminal justice system and lead productive lives.

**D. Closure of State Correctional Facilities with 90 Days Notice: Public Protection and General Government (S.2505/A.3005)—Part M**

The Executive indicates that the state has achieved more than \$230 million in savings by closing 18 prisons since 2011. Last year, the Executive proposed similar language that would enable the state to close an unspecified number of state prisons with only 90 days notice. This

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<sup>8</sup> "Police Concerned About Juvenile Crime Spike Amid Pandemic" AP News, Dave Collins, December 12, 2020; <https://apnews.com/2a1c3a83df1bcd2dd3c4fd43bad640bd>

proposal would result in the elimination of more than 800 positions. Under this proposal, the Executive would maintain sole authority to unilaterally close one or more state prisons anywhere in the state. There are no provisions detailing what would happen to the inmates within those facilities, nor to the continuation of the health, education and other services necessary for the rehabilitation or personal maintenance of those inmates.

PEF supports criminal justice reforms to decrease the number of low level offenders who are incarcerated, to provide additional supports to ensure recently released individuals can access the needed mental health, vocational, health and other services our members deliver so they can successfully re-integrate back into their households and communities. It seems counterintuitive to privatize state operated mental health and other services when demand for such services is in such high demand and are so sorely needed. Additionally, the relocation and movement of both inmates and staff to other regions of the state in the midst of a pandemic contradicts the advice of public health professionals.

Additionally, the implementation of last year's facility closure process left much to be desired. Authorization for the Executive to close correctional facilities with 90 days' notice was enacted on April 1<sup>st</sup>. However, the Governor announced three (3) prison closures five days before Christmas which created some understandable stress and concern for staff. The callous use of this authority should not be allowed to happen again.

In order to avoid such issues, last year's enacted budget included additional reporting both the Temporary President of the Senate and the Speaker of the Assembly a list of the facilities slated for closure or the number of inmates and the number of staff in such facilities at least 90 days prior to closure of any facility. While we expect the Commissioner of Corrections and Community Supervision to meet the reporting requirement on the results of the staff

relocation efforts within 60 days after such closure, we believe the Executive needs to be more transparent on projected closures and offer staff additional time to plan for the financial challenges and/or consider future employment opportunities in the event of a closure.

Additionally, it is important to note that parole officers play an increasingly critical role in the current criminal justice reform effort. Parole officers provide oversight and help formerly incarcerated individuals access other social, mental health, education and vocational training and other services. They represent a critical link in the success of the rehabilitation and mainstreaming process. Unfortunately, Parole Officers are also an understaffed area within DOCCS. Again, the state needs to develop a realistic and resourced continuum of services to support parolees on their path to reintegration. We simply cannot ask our overworked and short-staffed Parole Officers to continue to accept increases in their caseloads. It is a disservice to them and to the parolees they want to help succeed. We need to make an investment in more Parole Officers, especially if we expect to have more parolees. It just makes good sense from a planning perspective.

We urge the Legislature to reject these closures and to provide the real resources necessary to successfully reform the criminal justice system. If these closures are authorized, we urge the Legislature to require the Executive to adopt a comprehensive staff reassignment/relocation plan and to share that plan with the union and its members in advance of closure notification process and limit the closures to only the 2021-22 budget year.

#### **IV. CONTRACTING OUT SERVICES AT THE STATE OFFICE OF INFORMATION TECHNOLOGY (Public Protection and General Government (S.2505/A.3005) – PART FF)**

Information technology is a highly specialized field. OITS was created to develop in-house capacity for the IT needs of the various state agencies. To date, PEF members have

initiated and developed amazing things for the state and its citizens. Unfortunately, the Executive has not leveraged the full capabilities of the staff at this agency nor invested the resources to fully reach the potential outlined in the original formation of the agency. We believe, if fully funded, resourced and staffed, this agency could cut costs for the state and its agencies over the short- and long-term by designing, developing and maintaining the state's IT existing and new IT infrastructure.

For example, our staff has worked diligently to streamline access to services across the agencies despite the fact that the state has not adequately filled vacancies caused by attrition and retirement. While there have been cyber attacks in and around Albany (i.e. Albany Airport, County of Albany, City of Albany, Town of Colonie, etc.), the state IT system managed by OITS staff has remained largely secure. This shows the competence and professionalism of our members.

Despite the original charter of OITS and the demonstrated excellence of our members, the state continues to privatize the state's IT services. This year, the Executive Budget proposes again to amend the State Technology Law and State Financial Law to authorize the Commissioner of OITS to unilaterally enter into comprehensive technology service contracts. This proposal would allow the same firm to design, implement and maintain IT systems for the state.

This proposal to allow for third-party turnkey outsourcing of IT systems will eventually reduce the state workforce and likely cause the outsourcing of these positions to other parts of globe on the public cloud. The main benefit of "cloud technology" is the consolidation of system and resources. After enormous investment, OITS has already built a world class, highly available and secured T3 data center. This has resulted in the consolidation of 50 different data centers into



the private cloud for OITS and can be used for consolidation of additional application stacks. However, there is no need of outsourcing this phase of IT service delivery to an outside vendor, as proposed. This work can be done in-house with appropriate hiring practices and by investing in training for existing OITS staff.

The public cloud hosted by these third-party vendors are not always cost effective; often have problems enforcing Federal, State and Local regulations; maintain questionable data safety and security protocols and protections; and have difficulty integrating cloud-based applications with on-premises applications and data. This proposal will empower a single entity – the Director of OITS – to select preferred vendors. This process circumvents the existing Advisory Council for such decisions and eliminates the current preferred vendor bidding processes.

Instead of increasing the state’s reliance on costly consultants, the most cost-effective option to enhance the state’s IT infrastructure is to invest in the state workforce at OITS. Currently, the Executive budget proposes an appropriation of over \$2 million at OITS to help staff achieve the specific certifications needed meet the state’s needs (State Operations Budget; S.2500/A.3000, pp. 401). We have concerns that not enough of these dollars are being used for actual staff training. We must ensure that this professional development money is allocated and properly spent so that the state can meet its need with qualified, in-house professionals.

As the current generation of workers enters or nears retirement, OITS is losing its institutional knowledge. However, the agency lacks any strategic workforce development plan for succession, knowledge transfer, skill development and/or using shadow titles.

There are many instances of erosion of civil service merit and fitness standards. While open competitive tests are being offered, there are already hundreds of employees on the current promotional lists who are not being provided any opportunity or consideration for advancement.

This has negative effects on employee morale. If a promotional test is being offered, an open competitive test for the same position should not be held.

Recruitment and promotion is another major issue at the agency. Too often, the agency circumvents civil service requirements by utilizing the selective certification process which actually targets an individual not a position. We believe that this process should only be limited to only very unique circumstances, and in instances where it is utilized, the process should be more transparent and accountable.

Any implied advantage realized by the design-build process will quickly be offset by costly procurement processes, increased need for upfront input, decreased state control, increased construction risk and long-term maintenance fees. The lack of oversight, control and increased risk realized in these most recent revelations clearly show that design-build is not appropriate for New York.

**V. SUNY HOSPITALS – DISCONTINUE INDIGENT CARE POOL TO PUBLIC HOSPITALS (Health and Mental Health (S.2507 /A. 3007)—Part D)**

As we have seen throughout this pandemic, the SUNY Hospitals are cutting edge facilities that serve the very unique needs of the communities in which they are located. The three SUNY hospitals (Downstate, Upstate, Stony Brook) provide vital medical education, research and essential health care services to their communities and specialty care services such as burn and trauma care units and stroke centers. They are especially important to the underserved populations in the communities where they are located.

We thank you for your support in the past by restoring cuts to SUNY hospitals and rejecting language that would have opened the door to private investments in public hospitals.

We appreciate your continued support for these incredible institutions and for the communities and people that they serve.

The Executive Budget would harm New York's public hospitals which were at the forefront of the COVID-19 response. At a time when hospitals, especially those that assist underserved communities, are facing high levels of use and are desperate for additional funding, eliminating this funding source is ill-advised.

We urge the Legislature to reject the discontinuation of the Indigent Care Pool for the public hospitals.

#### **VI. THE STATE NEEDS TO BE A COMPETITIVE EMPLOYER TO ATTRACT AND RETAIN SKILLED, PROFESSIONAL STAFF**

Attracting and retaining talent is becoming more and more challenging for the state and its agencies. Every state agency suffers from recruitment and retention problems for licensed professionals such as nurses, doctors, dentists, pharmacists and nurse practitioners. These professionals are always in high demand, but this situation has been magnified by the COVID-19 pandemic. To date, the mechanism employed by management to deal with these chronic shortages is the implementation of imposition of mandatory overtime, the hiring of "contract" nurses that cost more and are of less utility and forced redeployment of staff. These factors, coupled with the intense nature of the clientele served, only feed the cycle of attrition in all of the agencies. In several facilities – Rochester Psychiatric Center, Capital District Psychiatric Center, Valley Ridge Center for Intensive Treatment, Broome Developmental Disabilities Service Organization, etc. – we have had to ask for the Commissioner to intervene with management to address staff bullying, the imposition of mandatory overtime, forced

redeployments of staff and/or a serious breeches in common sense application of COVID-19 safety precautions.

## **VII. NEW YORK'S NURSING SHORTAGE**

We were pleased that the Governor included one of PEF's legislative priorities in his State of the State message. It is only right and just that the state's nurses receive preferential treatment into SUNY and/or CUNY so they can maintain and expand their professional credentials. However, more needs to be done.

The state's nursing corps has served with distinction in the battle against COVID-19. These front line workers have persevered despite inadequate and inappropriate personal protective equipment, long and difficult work shifts, understaffing, re-deployments, child care issues, the emotional and psychological impact of treating many chronically- and terminal patients, separation from their families and/or the heightened risk of exposure to COVID-19.

In order to recognize their service, to provide appropriate remuneration for their sacrifice and to begin the process of rightsizing the salary and benefits package needed to compete against private employers, we urge the Legislature to consider enacting the following benefits for the state's nurses:

- A. Income Tax Credit: Establish an annual tax credit of \$500 for professional or practical nurses, nurse practitioners or clinical nurse specialists; and
- B. Annual Loan Forgiveness Program: Establish a competitive \$1,000 annual loan forgiveness program for nurses who are employed in a licensed health care facility and who have an outstanding loan from having attained a degree from an accredited public university or college; and

C. Hazard Pay: Nurses and all essential state employees should be provided hazard equal to \$2,500, plus an extra week of vacation accrual.

### **VIII. CENTRALIZE MEDICAL CANNABIS SUPERVISION**

The Executive Budget proposes a new cannabis regulatory framework administered by a newly established Office of Cannabis Management (OCM). This office will be charged with centralizing all licensing, enforcement and economic development functions. The OCM will administer all licensing, production, and distribution of cannabis products in the adult-use, industrial, and medical cannabis markets. The OCM will also supervise the continued expansion of the current medical cannabis program and evaluate potential reforms to expand patient access and affordability and identify potential research opportunities with medical cannabis providers, health care providers, and medical insurers. The Executive proposes to add 191 staff to administer the Office. PEF already represents the state's medical marijuana inspectors. Should the Legislature agree to support this proposal, PEF urges the legislature to ensure that these new employees are selected through existing Civil Service processes, that they maintain the same rights, benefits and privileges consistent with the organized workforce and that these new staff be designated in titles covered by the PEF bargaining unit.

### **IX. MOBILE SPORTS BETTING (Revenue (S.2509/A.3009 - Part Y)**

In order to address the revenue shortfall and to meet the reality of existing activities around existing electronic wagering platforms and activities, the Executive proposes to legalize, implement and tax mobile sports betting in New York. If this new revenue is authorized, we believe strongly that it should be implemented and regulated by the New York State Gaming Commission.

The New York State Gaming Commission has a long history of success and maintains the institutional frameworks, knowledge and credibility to ensure this program is effectuated effectively and with maximum benefit to taxpayers.

**X. CHANGES IN RETIREE HEALTH INSURANCE COVERAGE (Public Protection and General Government (S.2505/A.3005)—Parts CC; DD; and EE)**

The Governor has once again proposed to balance the budget, in part, by cutting the current and future health insurance benefits of future state workers and retirees. Specifically, the Governor wants to cap the Medicare Part B reimbursements at the current rate and hold retirees hostage by linking any future increases to budget negotiations. He has also proposed to end the Income Related Monthly Adjustment Amounts (IRMAA) completely for higher income retirees.

The most troubling retiree proposal is to create a new sliding scale of retiree health care costs for any new state employees hired after October 1, 2021. This, compounded with the Tier 6 retirement benefits, will only further harm recruitment efforts for State workers. All three of these bad proposals need to be rejected.

We urge the Legislature to reject these proposed cuts to the earned benefits of retired state employees who live on fixed incomes. We further urge the Legislature to reverse increase the premium share on NYSHIP participants that was effectuated in 2019 and the freeze any further increases in premium costs or benefit reductions for NYSHIP participants.

**XI. NEW YORK NEEDS MORE TRANSPARENCY AND ACCOUNTABILITY**

As the Governor correctly notes, we are in the midst of the largest public health and fiscal crisis in over a century. In order to ensure that the state is using its limited tax dollars for maximum effect, we ask for you to support adding provisions in this year's budget to provide

more transparency and information for taxpayers on the state's expenditures for outside consultants and contractors:

**A. Cost/Benefit Legislation:** This legislation, which is utilized in other state budgeting and procurement processes, requires state agencies to conduct and publish for taxpayer review a cost-benefit analysis for contracts exceeding \$750,000 ((S.6048 by Sen. Breslin/A.5459 by Asm. Bronson). While we recognize the Executive has vetoed cost-benefit legislation on several occasions, these types of analyses should serve as the baseline for any operation seeking to add, modify or otherwise change its service delivery capacity or model, especially during a fiscal crisis when resources are scarce. As previously detailed, it is in the state's long term financial interest and well-being to maintain and expand the services delivered by its existing workforce. It is not in the interest of taxpayers to engage in the contracting out of state services that can be completed and maintained by the existing workforce or otherwise handled by providing enhanced training and professional development opportunities for existing workers. The current practice wastes state tax dollars that could be dedicated to maintaining or expanding core services and it is demoralizing for state workers who want to be utilized for these purposes.).

**B. Line Item Requirement for Agency Service Contract Requests:** Additionally, we urge the Legislature to include provisions requiring agencies to delineate any requests for resources to acquire and retain outside service contractors for consideration as part of the proposed Executive Budget (S.8940 by Sen. Breslin). Given the fiscal situation and the sacrifices being asked of so many New Yorker's, all state agencies should be required to furnish all requests for outside service consultants or contractors for

consideration by the elected State Legislature as part of the agency budget submission process. This would give legislators and taxpayers the opportunity to review such requests and ask questions prior to entering into legally-binding contractual agreements. Moreover, involving a wider array of stakeholders in this process will assist agencies in evaluating the potential of existing assets in other areas, provide important feedback about potential contractors and help frame a comprehensive overview of the proposed work.

The inclusion of these basic, common sense, taxpayer-friendly provisions provides insurance that agencies are doing their utmost to protect taxpayer dollars by operating effectively, efficiently and with appropriate legislative and taxpayer oversight.

## **XII. REVENUES AND COST SAVINGS**

The 2021-22 Executive Budget proposal effectuates various program and service cuts to balance a projected \$15 billion deficit. These program and service cuts will disproportionately impact the state's most at-risk residents in the poorest communities.

As we have stated, we also believe that reducing the number of outside contracts and consultants will save the state hundreds of millions of dollars that can be used to maintain and even expand current services. However, we also believe that any final budget must provide some other ways to increase state revenues so that the state can continue to deliver the services that so many New Yorkers need. Multiple options have been advanced to increase income and other taxes on the state's most affluent individuals so that everyone can share in the sacrifice to close this year's budget gap. We encourage you to consider and advance the revenue increasing



measures necessary so that closing the multi-billion dollar gap is not achieved solely by cutting the programs and services needed by our most vulnerable residents.

In the end, it is important to remember that middle and low income New Yorkers have borne a disproportionate burden in addressing the pandemic. They have served on the front lines as essential workers and have suffered from more infections, deaths. These workers have also been harder hit by business closures and layoffs.

During this crisis, the ultra-wealthy have actually seen their net incomes rise significantly. We do not begrudge them for their success and we understand that wealthy New Yorkers make up the majority of the state's tax revenues. However, these individuals also benefit disproportionately from the maintaining quality public services – they employ workers educated by the state's first class public education system; they transport goods and services over the state's roads, bridges and rail facilities; and they and their businesses are protected by law enforcement and the entire criminal justice and judicial systems.

This should not be an “us versus them” discussion. We are in the midst of a national security crisis and the future of the state is at stake. The vast majority of middle and low income workers have served as essential employees on the front lines throughout the pandemic – ensuring food security; providing life saving care; and keeping communities safe. Now it is time for the wealthiest New Yorkers to stand up and be counted in this crisis. We need them to do their fair share to help the state's decimated economy move forward.

## **CONCLUSION**

New York state maintains the most qualified, highest caliber state workforce in the nation. Unfortunately, this budget balances the fiscal challenges of the state by cutting the services, programs and staffing needed by the state's most vulnerable and least powerful citizens.

We ask you to reject this approach. We ask you to support these citizens and our members by affirming the need for these services and by investing in the state's capacity moving forward so that we are not forced to scramble the next time an emergency hits.

I appreciate your time and the opportunity to address you today. Thank you.