



# PEF 2021 Budget Priorities

## 2021-2022 STATE BUDGET

### A. State Revenue Enhancements

#### Background

Federal officials have been unwilling and unable to deliver state support for the COVID-19 virus sufficient to meet the incredible need to support unemployed and displaced workers, to support hospitals and health care facilities or even to distribute the vaccine.

New York State and its wealthy residents have a strong history of pulling together to meet the challenges of the day. Tax increases have been implemented in both democratic and republican administrations during challenging times (i.e., 9/11/2001, the “Great Recession” in 2008, etc.)

The \$15 billion shortfall and the projected \$60 billion shortfall over the next three years require that all New Yorkers do their share.

Despite spending more than \$1 billion on private service contractors this year, the governor asked PEF members and other state employees to meet the state’s service needs during this crisis. Our “essential” and other frontline workers have put themselves and their families at risk each day since March to keep New Yorkers safe. Now, only months after describing PEF members and other state employees as “heroes,” the governor has indicated that there may be a need to lay off “thousands” of state workers to meet the budget gap.

We do not accept that that we are now “zeroes” after being “heroes” only 10 months ago! It is time for the state’s ultra-wealthy to do their share during this national crisis.

While we support the permanent adoption of these and other revenue enhancements to meet the needs of all state residents during this pandemic, at a minimum, significant revenue enhancements should be enacted until the state is able to emerge from the economic ravages of this virus.

#### Legislative Ask

Reject	Accept	Pass
The politics of state employee layoffs	That everyone must do their fair share to help the residents of this state	Significant revenue enhancements to make sure that everyone is sharing the burden in helping the state meet its basic operating needs

Revenue Actions	Revenue/Savings
<p>Mark to Market Tax on Billionaires</p> <ul style="list-style-type: none"><li>• Mark-to-market tax (50%) on unrealized capital gains over 10 years (tax on investment profits that have not been monetized)</li><li>• Only applies to the 112 New York billionaires now holding \$525 billion in wealth</li></ul>	\$5.5 billion (Source: Fiscal Policy Institute)



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<b>Increase Income Taxes on Millionaires</b> <ul style="list-style-type: none"><li>• Progressive tax rate increases above \$5 million, \$10 million and \$100 million per year</li><li>• Starts at \$5 million</li></ul>	\$2.7 billion (Source: Fiscal Policy Institute)
<b>Tax 2nd and 3rd Homes (Pied-a-Terre)</b> <ul style="list-style-type: none"><li>• Progressive assessment on non-primary residences worth more than \$5 million</li></ul>	\$650 million (Source: Fiscal Policy Institute)

## B. Staffing and Legislative Oversight of State Agencies

### Background

After spending more than \$1 billion on private service contractors and after years of an artificial 2% state budget cap, chronic underfunding and the ongoing attrition of state agency staff, the governor turned to the dedicated state workforce and asked them to put themselves at risk to fill the breach caused by the COVID-19 pandemic.

We learned that the state did a poor job of planning for an emergency and that state operations during this crisis relies too heavily on the dwindling number of state employees and that the long-term diminution of state capacity has left taxpayers and residents who rely on state services shortchanged.

According to data from the Department of Civil Service, there are more than 4,000 fewer state workers than there were in September 2019.

There is no process to demonstrate the value of private service contracts.

The state needs to develop a longer-term strategy to reduce reliance on outside contractors, to enhance internal capacity in an effort to save money, and to address its current and future staffing and operational (OITS) needs.

### Legislative Ask

Reject	Accept	Pass
The continued privatization of public services	The need for the Legislature to exercise oversight authority over state agencies with respect to staffing, operations and the awarding of outside service contracts	Legislation requiring agencies to request authorization to spend state tax dollars on outside service contractors and to ensure that such contracts provide appropriate services and savings for taxpayers

Legislation	Description	Cost
Contract Service Reductions in Fiscal Crisis S.8940 Sen. Breslin (2020)	In the event of mid-year budget cuts, this legislation would: <ul style="list-style-type: none"><li>• Require corresponding cuts in payments to service contract providers;</li><li>• Prohibit any agency from entering into any new agreements;</li><li>• Require each new service contract to be delineated separately on the agency's budget request for 2021-22</li></ul>	Anticipated cost savings



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Cost-Benefit Analysis S.6048 Breslin (2019) A.5459 Bronson (2019)	Requires state agencies to conduct a cost-benefit analysis prior to contracting out for services on contracts greater than \$750,000 per year	It is anticipated that this will save the state money
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### C. Nurse Attraction and Retention

#### Background

The state's nursing workforce has been on the front lines of this pandemic for 10 months straight. These dedicated professionals are generally lower paid than their private sector counterparts and often deal with the state's most challenging populations (i.e., at-risk youth and the state's mentally ill and developmentally disabled). These staff are often highest on the overtime list and are often compelled to work overtime or get redeployed to meet staffing shortages.

The nurse staffing shortage has become so acute that state agencies have resorted to hiring "agency" and "traveling" nurses to fill the demand. These nurses are basically highly paid independent contractors who earn salaries well above those paid to the state's nursing corps, get preference on shift hours and do not handle case loads with regular clients.

The Brooklyn Developmental Disabilities Services Office, the Bristol home in Buffalo, and the Mynderse home in Seneca Falls are the three latest casualties of the state's failure to attract and retain nurses. These facilities provide direct care services to the state's neediest residents who, without appropriate care, have a high propensity to enter into the criminal justice system.

The state has a responsibility to ensure quality health services for individuals under its charge and to begin the process of developing longer-term strategies to attract and retain nurses in state service and to ensure an appropriate pipeline of future nurses in public and private industry.

#### Legislative Ask

Reject	Accept	Pass
The notion that the state cannot afford to take care of its own	That the state has a responsibility to provide high level care with skilled nurses and direct care staff to our most vulnerable citizens	Legislation to elevate the profession of nursing, to provide support for individuals who want to enter this noble profession and provide competitive salaries and benefits to attract and retain a high-quality nursing corps

### NYS "Nurse Employment, Enhancement and Dignity" ("NEED") Act

Legislation	Description
Income Tax Credit for Nurses	This provision would provide a \$500 annual tax credit for professional or practical nurses, nurse practitioners, or clinical nurse specialists
New York State Nursing Loan Forgiveness Incentive Program	This provision establishes a competitive \$1,000 annual loan forgiveness program for nurses with outstanding loans who are employed in a licensed health care facility and who have attained a degree from an accredited public university or college. Such awards shall be allocated by the Department of Education subject to the amount stipulated in an appropriation



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Hazard Pay	Provides that hazard pay shall be provided to all essential state employees equal to \$2,500, plus an extra week of vacation accrual
Preferential Admission to Public Universities and Colleges	This provision would provide preferential admission for nurses employed in public service into SUNY, CUNY and the community college system to meet educational requirements for licensure

### D. Criminal Justice Reform

#### Background

PEF supports any and every proposal to provide the resources necessary to build a path for success for all individuals charged, convicted and sentenced to imprisonment or community supervision. However, the path for success requires those individuals convicted and sentenced for crimes to abide by the previously established rules for re-entry into the community and the resources necessary to give them the opportunity to succeed.

Incarceration is expensive, and due to a lack of resources, the current system does not provide incarcerated individuals the full array of services necessary for many to build a path for success upon reentry into the community.

Additionally, increases in the numbers of parolees **have not** been coupled with appropriate increases in parole officers to meet increasing caseloads or the financial and program resources necessary to guarantee re-integration efforts (i.e., substance abuse resources, child care, health and mental health care, education and training and help acquiring a job).

Successful rehabilitation programs require resources. New York needs to develop a system of continued supports for incarcerated individuals that begins upon conviction and ends with successful re-entry back into the community.

#### Legislative Ask

Reject	Accept	Pass
The idea that officers and workers in the criminal justice system don't want to help their clients be successful and re-enter society	That successful criminal justice reform is contingent on providing the resources and staffing needed to help at-risk individuals access needed programs and services to support them on the path to rehabilitation and holding individuals accountable for meeting the previously agreed upon benchmarks to ensure their own success	Legislation that enhances the resources and staffing needed to develop a criminal justice system that is fair for victims and the incarcerated, and helps at-risk individuals deal with issues and develop skills for successful re-integration back into their communities