



THE NEW YORK STATE PUBLIC EMPLOYEES FEDERATION TESTIMONY

Workforce Development/Labor - Joint Legislative Budget Hearing

2023-2024 Executive Budget Proposal

March 1, 2023

Wayne Spence, President

Good afternoon Chairpersons Krueger, Weinstein, Jackson, Pheffer Amato, Ramos, Joyner and other honorable members of the legislature. My name is Wayne Spence and I am the president of the 50,000-member strong New York State Public Employees Federation (PEF). I want to thank you for the opportunity to speak to you about the 2023-24 Executive Budget proposal and its impact on the state workforce. Our union is composed 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 risked their lives and those of their families to maintain the continuity and quality of services to New York’s most vulnerable citizens. PEF members take a great deal of pride in their work and the care that they provide to clients because they are professionals and they care about the welfare of their fellow New Yorkers.

Staffing Problem Persists:

The staffing and service delivery challenges facing the state are not new, but these challenges are much more profound. As the Governor has indicated, New York state is down 12,500 staff. The state is not a competitive employer in the current market, and it has difficulty attracting and retaining talent. Lower starting salaries, the lack of promotional opportunities, high overtime, and the inferior Tier 6 pension plan are all contributing factors to these challenges.

Poor staffing affects access to services and the quality of those services. It also diminishes the ability of the state to oversee and regulate the private companies who provide services on behalf of the state.

State Staffing 2012-2021¹

Select Agencies	2012 vs. 2021				
	Year	2012	2021	Difference	Percentage
Civil Service		458	297	-161	-35.2%
DOCCS		30,600	26,845	-3,755	-12.3%
Labor		4,408	3,647	-761	-17.3%
OASAS		957	884	-73	-7.6%
OCFS		3,404	2,803	-601	-17.7%
OMH		15,907	13,812	-2,095	-13.2%
OPWDD		22,627	18,439	-4,188	-18.5%
DOT		9,010	8,037	-973	-10.8%
Tax		5,315	4,307	-1,008	-19.0%

¹ “New York State Agency Use of Overtime and State Workforce Trends, 2012 – 2021, Office of the New York State Comptroller, July 2022. <https://www.osc.state.ny.us/files/reports/pdf/cy2021-overtime-report.pdf>

Parks	3,965	4,117	152	3.8%
DEC	3,852	3,432	-420	-10.9%
DOH	3,410	3,347	-63	-1.8%
OSC	2,545	2,812	267	10.5%
OGS	1,455	1,957	502	34.5%
OTDA	2,108	1,850	-258	-12.2%
Veterans Homes	1,183	1,012	-171	-14.5%
Courts	16,935	15,936	-999	-5.9%
State Police	5,356	5,584	228	4.3%
All Other Agencies	28,603	27,898	-705	-2.5%
Total	162,098	147,016	-15,082	-9.3%

We thank Governor Hochul and the Legislature for recent efforts to attract and retain state staff through specific programming like the Healthcare Worker Bonus program, Nurses Across New York program, changes to the Tier 6 pension plan and additional operating resources. This year, PEF fully supports the various improvements to the civil service testing, hiring and on-boarding processes proposed in the Executive Budget. But we need to do even more. You should reject attempts to water down New York’s licensed professionals by establishing new, lesser qualified titles like “Qualified Mental Health Associate” (S.4007/A.3007 Part GG). The state needs to develop a systemic and sustained effort to meet its staffing needs so it can maintain critical services and operational continuity over the long term.

PEF is very pleased that the Governor has advanced a proposal to modernize the civil service pay structure. This is long overdue! PEF believes that every state title requires an increase of at least two grades in order to keep pace with inflation and the salaries of professionals in the private sector.

Privatization and Contracting Out of State Services

PEF believes there is an important role for for-profit and not-for-profit providers and outside contractors when used wisely and with due diligence. However, the previous administration’s overemphasis on private providers diverted too many resources away from the state’s service delivery system and left too many New Yorkers and their families alone to deal with their issues. This is especially true for mental health services for the developmentally disabled. PEF believes that more services need to be brought back in-house so that no New Yorker who needs help is denied and forced to look outside of New York for care.

The 2023-24 Executive budget proposal seeks to spend \$1.3 billion in new appropriations and \$1.13 billion in re-appropriations on outside service contracts. These contractors employ 9,382 full-time equivalent employees dedicated to these projects, equating to an expense of \$138,583 per employee.

PEF recognizes the need to contract out for certain services provided that the state or the agency first examines whether the existing paid state workforce can’t do the job for which the contractor is hired to perform.

PEF believes that agencies have an obligation and taxpayers have a right to see a cost-benefit analysis outlining the need for services and weighing the costs entailed for such outside service contracts. We thank the members of the legislature, especially Senator Neil Breslin and Assemblymember Harry Bronson, for their steadfast support of legislation requiring executive agencies to undertake such analyses and to subject such analyses to public disclosure. Unfortunately, we have not been able to convince the Executive to adopt this proposal.

Given the Legislature’s constitutional role in appropriating resources and overseeing Executive actions, we hope that additional measures will be enacted in this year’s final budget to ensure that every legislator and taxpayer understand the need for cost effectiveness of the \$1.3 billion in new monies being spent on outside service contracts.

Overtime Costs:

In 2021-22, state employees worked 20 million overtime hours. The cost for that labor was \$960 million. Governor Hochul has been very responsive to the needs of workers who are pressed to perform these services by increasing overtime compensation at many state agencies to 2.5 times their salary per hour. However, the need for additional staffing is stark and clear. At the same time, the state workforce is down almost 10%. The need for overtime to meet coverage has grown by almost 40%.

State Workforce Overtime 2012 versus 2021²

Agency	Hours Worked 2012	2021	2012 vs. 2021 Difference	2012 vs. 2021 Percent Change
DOCCS	3,256,812	4,525,292	1,268,480	38.9%
Labor	114,036	265,470	151,434	132.8%
OCFS	383,779	271,437	-112,342	-29.3%
OMH	2,456,536	3,205,164	748,628	30.5%
OPWDD	2,024,717	5,377,977	3,353,260	165.6%
SUNY	1,436,002	1,845,347	409,345	28.5%
DOT	872,383	1,326,781	454,398	52.1%
Courts	270,606	532,315	261,709	96.7%
DOH	31,047	207,732	176,685	569.1%
DEC	124,647	210,382	85,735	68.8%
Total OT All Agencies	14,480,562	19,948,307	5,467,745	37.8%

² “New York State Agency Use of Overtime and State Workforce Trends, 2012 – 2021, Office of the New York State Comptroller, July 2022. <https://www.osc.state.ny.us/files/reports/pdf/cy2021-overtime-report.pdf>

Is it any wonder why the state has had difficulty attracting and retaining talent? After the stress of the COVID-19 pandemic, workers are focused on balancing the pressures of home and work. This is even more pronounced with state employees who were designated as “essential” and mandated to put their health and that of their families at risk in service to the state. While health care employees rightly received supplemental payments for their services during this crisis, tens of thousands of state workers have not received any hazard pay. This has hurt morale and the overall culture of work in state government.

Prescriptions for Success:

To address these challenges and to support the delivery of quality services in an effective and efficient manner, PEF continues to advocate that New York “Fund Our Future” by expanding public services for at-risk individuals to ensure appropriate and continuous access to quality care for all New Yorkers, with the goal of keeping affected New Yorkers in close proximity to their families and other support systems.

BUDGET REQUESTS

SUPPORT PUBLIC SECTOR WORKERS AND THE SERVICES THEY PROVIDE:

1. Fix Tier 6 – Set employee contribution at 3% after 10 years

BUDGET REQUEST: \$500 million

Begin the process of correcting the pension problem by supporting legislation to standardize the mandatory employee contribution at 3% after 10 years of service. Currently, experienced workers pay more to the plan when they earn promotions or contract increases. This change would incentivize individuals to become long-term public employees and provide our agencies the trained and experienced civil servants the state so desperately needs.

2. Modernize Civil Service Pay Structures

BUDGET REQUEST: \$2 million

The state needs to modernize the civil service pay structure and develop a job evaluation system that aligns civil service pay grades with the current job market. PEF believes that the current salary grade structure needs to be adjusted upward at least two pay grades for every state title to attract and retain a skilled state workforce.

3. Restore and Utilize the Office of Information Technology Services Training Supplement

BUDGET REQUEST: \$300,000 to restore previous appropriation to \$2 million

The Governor is rightly seeking to improve and expand digital services and has indicated an intention of growing a team of researchers and designers at OITS and OGS to coordinate that work. However, the Governor proposed a cut of \$300,000 in the appropriation used to fund training for staff at OITS. The

state needs to support its OITS staff as they work to maintain or expand upon their certifications in service to the state. Additionally, these resources often go underutilized despite staff actively seeking the use of these funds to advance their knowledge and careers. How can the state expect its talented IT staff to remain in state service if it provides no training opportunities, resources or the opportunity to advance their careers? This type of program is exactly what should be expanded and utilized to keep top talent and to improve the level of services provided to taxpayers.

4. Support Executive Budget Proposals to Reform Civil Service System

- **Support Indexing Minimum Wage (S.4006/A.3006) Part S** – Increasing the minimum wage is critical for workers and businesses alike. Let’s expand on the Governor’s groundbreaking proposal by expediting the phase in and removing artificial limitations on this important benefit.
- **Support Child Care Expansion (S.4006/A.3006) Part U** – More and more New Yorkers can’t find affordable or reliable childcare. Expanding the current benefit will allow more workers to get relief and enable more individuals with families to enter into the workforce.
- **Support Continuous Recruitment Testing (S.4006/A.3006) Part S** – This will expand the number and frequency of open competitive tests to facilitate the hiring of desperately needed staff.
- **Support Establishing 12 “Centers for Careers in Government”** and the \$2 million appropriation to support this initiative.
- **Support the Public Service Matters Campaign** – This initiative will draw new workers into public service careers and build up our battered workforce. The state needs to re-instill the pride and importance of public service and highlight the important services the state provides to residents.

4. Support New York’s Trained, Licensed Professionals

- **SUPPORT the continuation and expansion of the nurse loan forgiveness program**
- **OPPOSE Entering into the Interstate Licensure Compact (S.4006/A.3006) Part W**
- **OPPOSE Transferring Licensure Oversight from SED to DOH (S.4006/A.3006) Part CC**
- **OPPOSE the temptation to water-down services by establishing a new “Qualified Mental Health Associate” title (S.4007/A.3007 Part GG).**

5. Adopt an Emergency Statewide Staff Attraction and Retention Plan at OPWDD

BUDGET REQUEST: \$15 Million

Direct OPWDD to establish staff attraction and retention programs and focus hiring at previously closed state-operated residences.

BUILD A CULTURE OF RESPECT AND COLLABORATION:

We are very thankful to have such excellent leadership in the State Legislature and Governor Hochul has certainly set a new, more respectful tone with her state agencies and her employees. However, like all large and diverse operations, there remain certain staff – administrative, professionals and supervisory – who conduct themselves unprofessionally in the workplace. To that end, we continue to field issues and concerns from members, especially our nurses and healthcare professionals, who are concerned about the state’s work culture. We are not indicating that this is a widespread issue, but it is something that requires further consideration and action. PEF has drafted legislation to codify actions in the workplace that constitute “bullying,” cyberbullying,” and “abusive conduct” and this legislation would require all state employees receive training to identify such conduct with the hope of preventing it in the workplace and empower all employees to seek redress from such circumstances (S.3065 by Senator Ramos/A.1202-A by Assemblywoman Joyner). We hope that you will join with us in support of this legislation so that the state can be a model employer for all, so that we can educate all workers on what constitutes inappropriate conduct at the workplace, and so we can re-build a culture of mutual respect and support across all agencies as we collectively conduct the people’s business.

Thank you for the opportunity to share our concerns with you. We look forward to working with you to ensure that all New Yorkers have access to effective and affordable public services.

Respectfully Submitted,

Wayne Spence
President, New York State Public Employees Federation