

1 BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

2 -----

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the
5 2015-2016 EXECUTIVE BUDGET ON
WORKFORCE DEVELOPMENT

6 -----

7
8 Hearing Room B
Legislative Office Building
Albany, New York

9
10 February 27, 2015
2: 33 p. m.

11

12 PRESIDING:

13 Senator John A. DeFrancisco
Chair, Senate Finance Committee

14 Assemblyman Herman D. Farrell, Jr.
15 Chair, Assembly Ways & Means Committee

16 PRESENT:

17 Senator Liz Krueger
18 Senate Finance Committee (RM)

19 Assemblyman Robert Oaks
20 Assembly Ways & Means Committee (RM)

21 Senator Martin Golden
Chair, Senate Civil Service and
Pensions Committee

22 Assemblyman Peter J. Abbate, Jr.
23 Chair, Assembly Committee on Governmental
24 Employees

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1 2015-2016 Executive Budget
Workforce Development
2 2-27-15

3 PRESENT: (Continued)

4 Senator Diane Savino

5 Assemblyman Brian P. Kavanagh

6 Assemblywoman Patricia Fahy

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1 2015-2016 Executive Budget
2 Workforce Development
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Adam Prizio
Manager, Government Affairs
Center for Disability Rights

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1 CHAIRMAN DeFRANCISCO: And it's the
2 hearing on workforce development, and it's
3 going to start right away.

4 Pursuant to the State Constitution and
5 Legislative Law, the fiscal committees of the
6 State Legislature are authorized to hold
7 hearings on the Executive Budget proposal.
8 This hearing this afternoon will be limited
9 to a discussion of workforce development.

10 So we're going to go through the list
11 as it exists here, and if someone is not
12 here, we'll just go on to the next witness,
13 so we can move this along. If someone is
14 overly burdened by the fact that we started
15 late and you want to submit your testimony,
16 we may do that as well.

17 The first speaker is New York State

18 Department of Civil Service, Jerry Boone,
19 commissioner. And on deck is the New York
20 State Governor's Office of Employee
21 Relations, Michael Volforte, interim
22 director.

23 Whenever you're ready.

24 MR. BOONE: Good afternoon, Chairman

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1 DeFrancisco, Chairman Farrell, and
2 distinguished members of the Senate Finance
3 and Assembly Ways and Means Committees. I am
4 Jerry Boone, commissioner of the Department
5 of Civil Service. With me is Michael
6 Volforte, interim director of the Governor's
7 Office of Employee Relations, also known as
8 GOER.

9 I appreciate the opportunity to appear
10 before you today to comment on the Governor's
11 2015-2016 budget as it relates to the
12 department, as well as to highlight some of
13 our key accomplishments over this past year.

14 During Governor Cuomo's first term,
15 substantial progress was made in transforming
16 state government to improve the efficiency
17 and cost effectiveness of state services. A
18 key initiative was adoption of a
19 shared-services model to standardize human
20 resource and finance transactions in the
21 state. With the centralization of routine HR
22 transactions, agencies will be better
23 positioned to focus on their core missions

24 and the state, as a whole, can take a more

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1 strategic approach to merit system and HR
2 administration.

3 To support the changing role of agency
4 HR leaders, the department and GOER jointly
5 developed and delivered a professional
6 development program for agency HR directors
7 and leaders focusing on strategic human
8 resources. We are building upon the success
9 of that program by providing new tools, best
10 practices, and additional training for HR
11 professionals.

12 The department also increased training
13 opportunities for local civil service
14 jurisdictions across the state, ranging from
15 refresher training for more experienced HR
16 and civil service professionals to the annual
17 Civil Service Institute. This is a
18 comprehensive three-week training program
19 which prepares less-experienced local
20 administrators for their independent
21 responsibilities in administering the
22 Civil Service Law.

23 The department is also responsible for
24 ensuring that agencies have the necessary

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1 talent to fulfill their core missions. With
2 80-plus percent of the state's workforce in
3 the competitive class, state agencies and
4 localities rely upon the Department of Civil

5 Service to administer examinations to ensure
6 they can meet their staffing needs.

7 Over the past year, the department
8 administered nearly 4,500 examinations,
9 testing over 140,000 applicants for state and
10 local government titles. Our testing
11 programs integrated tried and true testing
12 methods with new, more innovative testing
13 paradigms, to enhance efficiencies while also
14 ensuring we comport with the merit and
15 fitness requirements.

16 For example, to more timely attract a
17 cadre of capable and diverse college
18 graduates to public service, the department
19 piloted a new selection tool, the
20 Professional Career Opportunities
21 Examination. We also refer to it as the PCO.
22 By including numerous job titles throughout
23 the state in a single written examination,
24 the PCO is designed to ensure that agencies

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8

1 have a ready pool of talent available to meet
2 their hiring needs.

3 The PCO has laid the groundwork for
4 broader use of competency-based testing,
5 allowing us to include several related
6 occupational areas in a single examination in
7 the future.

8 In addition, in support of local civil
9 service, for the first time the department
10 administered examinations for the statewide

11 Director of Facilities titles to be used by
12 all local school districts. This new
13 approach was required under legislation that
14 specifically directed the department, rather
15 than the local governments, to classify these
16 job titles and hold an examination for the
17 titles.

18 Increasing diversity in the state
19 workforce is another important responsibility
20 the department shares with its client
21 agencies. Our outreach efforts, which
22 highlight opportunities for entry into state
23 service, complement the more targeted
24 recruitment efforts of state agencies seeking

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1 specific needs and skill sets for their
2 operations. Over the past year, the
3 department participated in over 70 outreach
4 efforts to underrepresented populations --
5 including, most recently, the New York State
6 Association of Black, Puerto Rican, Hispanic
7 and Asian Legislators' caucus conference, and
8 upcoming in March, the Somos el Futuros
9 spring conference.

10 The department also focused on
11 veterans' unemployment, successfully
12 launching two new online recruitment portals
13 this past year. One portal facilitates
14 selection of disabled candidates, including
15 disabled veterans, and the other connects
16 veterans with temporary employment

17 opportunities in state government. Finally,
18 the department implemented a constitutional
19 change that provides additional credits to
20 eligible, disabled veterans seeking a civil
21 service appointment or promotion.

22 In the health benefits area, the
23 department continues to administer the
24 New York State Health Insurance Program, also

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1 referred to as NYSHIP, one of the largest
2 public employer health insurance programs in
3 the nation, covering over 1.2 million state
4 and local government employees, retirees and
5 their families. NYSHIP offers a number of
6 health benefit programs, the largest of which
7 is the Empire Plan. While specific benefits
8 and associated employee costs are negotiated
9 by GOER, the department is responsible for
10 ensuring coverage is provided at the lowest
11 possible cost to the state and other
12 employers.

13 Since the department's conversion of
14 the Empire Plan to self-funding in January
15 2014, I am pleased to report that
16 approximately \$343 million in plan savings
17 have been realized, benefiting both the state
18 and participating local governments. In
19 addition, the Empire Plan has experienced
20 lower rates of premium growth, translating to
21 cost savings for plan participants and
22 New York's taxpayers.

23 The department also continues to
24 collaborate with the Department of Health to

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1 improve coordination of health care
2 purchasing, capitalizing on best practices
3 and efficiencies to improve health care and
4 lower costs. Recognizing the benefits of
5 preventive services, the department expanded
6 the Empire Plan access to cover vaccines for
7 the flu, pneumonia, shingles and meningitis
8 at participating pharmacies.

9 Looking to the year ahead, the
10 Department plans a follow-up to our 2009
11 eligibility audit of NYSHIP membership to
12 ensure that ineligible dependents do not
13 claim or receive benefits. As part of the
14 audit, as in the prior audit, we are seeking
15 an amnesty period to be authorized by
16 statute.

17 I appreciate the opportunity to appear
18 before you this afternoon, and I am happy to
19 answer any questions the committee may have.

20 CHAIRMAN DeFRANCISCO: Senator Savino
21 has one question.

22 (Laughter.)

23 SENATOR SAVINO: Don't start the clock
24 yet.

♀ 12

1 Good to see you again.

2 MR. BOONE: Good to see you, Senator.

3 SENATOR SAVINO: I do have just a
4 couple of questions, and you can probably
5 imagine what they are because I seem to ask
6 them every year.

7 So in the past several years now we've
8 seen a hard hiring freeze and early
9 retirement. And I know in your testimony you
10 talked about how you have -- you administered
11 4500 exams in the past year to 140,000
12 individuals. How many of these people have
13 we actually added to the state workforce?

14 MR. BOONE: How many were hired into
15 the state workforce?

16 SENATOR SAVINO: Mmm-hmm. If you
17 know.

18 MR. BOONE: Yes, I can answer that for
19 you. Approximately 36,000 internal -- well,
20 transfers -- or, I should say, hiring-related
21 decisions were made. Twenty-six thousand of
22 those 36,000 internal transfers were
23 promotions. So that leaves roughly 10,000 of
24 new entrants who are hired into the

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1 workforce.

13

2 SENATOR SAVINO: Okay. And the reason
3 I bring this up every year is because we know
4 that we have an aging workforce.

5 I'm just going to give you a couple of
6 numbers. The average age of a state worker
7 right now is 48. And while that's not that
8 old, you know, normally you'd have -- he's

9 laughing, he's obviously under 48.
10 Forty-seven percent of the state's workforce
11 is over age 50; 28 percent of the state
12 workforce is over 55. In the next five
13 years, almost 30,000 people will be 55 or
14 older, with 30 years of service.

15 That means we're going to see a
16 tremendous exodus of state workers. And so
17 what I've been lamenting about for the past
18 several years is the issue of succession
19 planning in these agencies. We're already
20 seeing the effects of what happens when you
21 don't have sufficient staff, whether it's in
22 the Department of Labor or in the Department
23 of Health or in any state agency.

24 And so while I bring this up every

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14

1 year, I'm hoping that someday one of you is
2 going to come forward with a plan on
3 succession planning to grow the state
4 workforce again to appropriate levels. And
5 so that we don't have this massive -- we are
6 one early retirement away from a disaster in
7 this.

8 And so we need to plan for the future.
9 So what if anything can you do, working with
10 the agencies, to begin that process?

11 MR. BOONE: Well, strategic succession
12 planning is one of our strategic focuses. It
13 is a decentralized process currently, which
14 means each agency is responsible for its own

15 successi on pl an and transfer of knowl edge
16 practices. But through the partnership and
17 coll aboration of the Department of Ci vil
18 Service and GOER, we have worked to create a
19 coordi nated approach to successi on pl anni ng,
20 and that's something that wi ll be one of our
21 conti nui ng pri ori ty areas of focus i n thi s
22 year.

23 SENATOR SAVI NO: Wel l, I certai nly
24 hope that next year I'm not aski ng you the

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15

1 same questi ons, but i t's nice to see you.

2 (Laughter.)

3 CHAI RMAN DeFRANCI SCO: Is that i t?
4 Great.

5 CHAI RMAN FARRELL: We' ve been
6 joi ned -- we have on our si de Mr. Abbate and
7 Mr. Kavanagh.

8 Mr. Abbate to ask a few questi ons.

9 CHAI RMAN DeFRANCI SCO: And we' ve been
10 joi ned by Senator Gol den.

11 ASSEMBLYMAN ABBATE: Sure,
12 Commi ssi oner. Let me j ust ask you, i n the
13 Executi ve Budget I noti ced that the budget
14 recomme nds that the Offi ce of Informati on
15 Technol ogy do term or temporary appointme nts
16 of up to 300 peopl e, who can be appoi nted.
17 And al so i n the budget i t authori zes the
18 Department of Heal th to use the term
19 temporary appointme nts of another 300 peopl e
20 to be appoi nted.

21 Was this a recommendation from your
22 office at Civil Service?

23 MR. BOONE: We've certainly
24 participated in the IT request for

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1 in-sourcing of 300 positions. There was a
2 prior program, which I'm sure you're all
3 aware of, the -- we refer to it as
4 Chapter 500. And this program enabled us to
5 acquire difficult-to-attain talent, to
6 attract it to the workforce on a sufficiently
7 elongated basis that they would then have the
8 opportunity, those coming in from the
9 outside, to participate in civil service
10 exams and add to our talent base on an
11 ongoing basis, participate in the
12 competitive -- for competitive-based
13 positions.

14 And interestingly, it also served to
15 be an employee mobility program, because it
16 enabled existing employees within the
17 workforce already, competitive base, to
18 realign into these opportunities. So it
19 provided development opportunities to move
20 people into new areas.

21 But it's a retention measure, it's an
22 attraction measure, it's been successful,
23 we're asking for another round for those
24 300 positions.

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1 ASSEMBLYMAN ABBATE: And then in the

2 Department of Health, were you also consulted
3 on that?

4 MR. BOONE: I'm aware of the
5 Department of Health proposal that you make
6 reference to to put forth 300 positions, I
7 believe for the Medicaid takeover, is what
8 you're --

9 ASSEMBLYMAN ABBATE: It just seems
10 contrary to everything that, you know, civil
11 service is supposed to be about. And then
12 when we go back to it, when you say the
13 Office of Technology -- you know, we've been
14 hearing this for a number of years when
15 technology was new and all. I think by now
16 the workforce, especially in New York State,
17 I think we have enough qualified people.

18 Maybe five, six, even eight years ago
19 we didn't have enough people, you know, in
20 the workforce to do that. I don't see the
21 need to constantly go out -- you know,
22 technology is becoming almost everyday
23 occurrences -- so, you know, to look back at
24 that, I just think it's, you know, chipping

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18

1 away each year.

2 Another agency that's also shared
3 services with the Thruway Authority, the
4 Transportation Authority and the Thruway
5 Authority -- it just seems like it's chipping
6 away. And I hope you would, you know, as the
7 chairman, really look into that, to see that

8 we maintain a strong civil service system,
9 other than what the Executive might want to
10 do.

11 MR. BOONE: Let me offer some context
12 to that, because managing a workforce and
13 staffing a workforce is a mix of strategies.

14 So our currently constituted workforce
15 of 150,000 employees, the
16 Executive-controlled portion of the
17 workforce, we have again competitive-based
18 jobs. That particular classification, if you
19 will, of civil service is some 80 percent,
20 120,000 employees. That's been the case
21 roughly for the last 15-plus years. That has
22 not eroded.

23 So on a base of 150,000 employees, to
24 acquire or make the request to acquire 300,

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19

1 we do not think is an extreme request.

2 Also, the thing about technology is
3 that it is -- there's a portion of it that we
4 know from our own life experiences, from the
5 benefit, it's moving so rapidly that to
6 acquire that talent -- by the time you
7 develop an exam, it will be outmoded relative
8 to those particular skills.

9 So it's meant to complement the
10 4,000-plus competitive-based employees that
11 we have in ITS, or around 4,000, to introduce
12 an additional agility measure, if you will,
13 to compete for that high-in-demand talent.

14 So it's a small portion of it.

15 With regard to temporary workers,
16 again, an agency that has taken on a new
17 mission sometimes decides it's better served
18 to engage temporary -- or employees on a
19 temporary basis until it gains a little
20 experience to sort out what its staffing
21 needs will be long-term, especially when it's
22 taking on new responsibilities.

23 So we use a range of measures -- we
24 think these are modest in the scheme of

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1 things, quite frankly -- but to manage our
2 workforce so it has the agility to provide
3 the level of services that we need.

4 Our competitive-based workforce does a
5 great job. It is not, you know, in any way
6 an adverse reflection, it's just giving us as
7 an organization a little bit more agility to
8 go after talent. And frankly, it provides
9 then a basis to perhaps Velcro some of these
10 people and opportunities to take
11 competitive-based exams and become part of
12 that workforce.

13 CHAIRMAN FARRELL: Thank you.

14 Senator?

15 CHAIRMAN DeFRANCISCO: No other
16 questions?

17 Senator Golden.

18 SENATOR GOLDEN: Thank you,
19 Mr. Chairman. You look so chipper this late

20 in the afternoon. This is good.

21 Thank you for being here, sir. I have
22 three questions. If a person is on the
23 eligibility list for a title such as an IT
24 Specialist IV, and that person is selected

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1 from an IT Specialist IV list for one of
2 these term appointments, isn't that
3 appointment merely a way of the appointing
4 agency to getting around the rule of three?

5 MR. BOONE: You're referring to a
6 specific position?

7 SENATOR GOLDEN: Correct. Someone who
8 is not otherwise reachable.

9 MR. BOONE: Well, if I follow you, I
10 think you're referring to one of the
11 positions that were -- was encompassed by the
12 Chapter 500 legislation.

13 SENATOR GOLDEN: Mm-hmm.

14 MR. BOONE: Again, now it was targeted
15 to rapidly acquire and add to the talent base
16 skills that we, you know, otherwise did not
17 have enough of.

18 So it's a limited measure, it was in
19 place for five years. And again, the intent
20 behind it was to bring people in rapidly in a
21 rapidly evolving area and to keep them long
22 enough to then be able to take a civil
23 service exam.

24 SENATOR GOLDEN: And we're not doing

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1 that anymore?

2 MR. BOONE: If they wish to receive a
3 permanent appointment. And we just held our
4 major civil service IT exam back in December.

5 SENATOR GOLDEN: If a person is
6 selected for the term appointment for the
7 eligibility list and declines that position,
8 is that person removed from that list?

9 MR. BOONE: I had a little trouble
10 hearing you, I'm sorry.

11 SENATOR GOLDEN: If the person is
12 selected for a term appointment from an
13 eligibility list that the -- and he declines
14 or she declines that position, is that person
15 removed from the eligibility list?

16 MR. BOONE: Are they removed from the
17 list?

18 SENATOR GOLDEN: Yes. Do they go to
19 the bottom of the list?

20 MR. BOONE: No. No, no, the list --
21 unless, under the rule of three -- unless and
22 until the appointment is made, that eligible
23 individual would continue to be eligible to
24 compete for that or any other similar

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1 opportuni ty.

2 SENATOR GOLDEN: Thank you.

3 The DOH term appointments -- you've
4 got 500 term appointments. Do we have a
5 better way of putting a target as to how much

6 that's going cost? What it's going to cost?
7 Do we have these term appointments already in
8 place, or are these term appointments
9 something that may be needed?

10 MR. BOONE: Well, that one, I would --
11 I'm not intimate with. So --

12 SENATOR GOLDEN: Department of Health
13 has 500 --

14 MR. BOONE: -- as to that specific
15 question, I'd have to get back to you.

16 SENATOR GOLDEN: They have 500 term
17 appointments. They may need expertise in the
18 individuals implementing the new state health
19 insurance programs and their initiatives and
20 their mandates. Does the DOH currently need
21 that help? Are those positions already
22 assigned? Or is there a flow chart for these
23 500 positions?

24 MR. BOONE: If I understand correctly,

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1 it provides additional capacity --

2 SENATOR GOLDEN: Correct.

3 MR. BOONE: -- that they made a
4 forecasting judgement that -- that they would
5 need. How it eventuates, you know, remains
6 to be seen.

7 SENATOR GOLDEN: Okay, so there's no
8 plan on that. Just the 500 employees you
9 have on your -- and you're allocating for
10 those 500 employees, but we don't know if
11 we're going to use them and where we're going

12 to use them and how we're going to use them.

13 MR. BOONE: I'm just having trouble
14 hearing you, I'm sorry.

15 SENATOR GOLDEN: Those 500 term
16 appointments -- they're not assigned, those
17 500 term appointments, yet. Correct?

18 MR. BOONE: At this time.

19 SENATOR GOLDEN: Correct. So there
20 are 500 term appointments that you can make
21 at some point, down the road, and you will
22 have up to 500 appointments to make if you
23 choose to do so.

24 MR. BOONE: That is my understanding

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1 of the request.

2 SENATOR GOLDEN: I would imagine that
3 if the chairman would want a better breakdown
4 of how you plan to use those 500 and the
5 appropriate cost of the 500 appointed -- I
6 would definitely like to see it from the
7 Civil Service chair.

8 If you can, we'd like to get more
9 information on that.

10 MR. BOONE: Well, they certainly all
11 would have -- we have a classification
12 process that reviews when an agency is ready
13 to actually make appointments. Again, if
14 we're assuming those are within the civil
15 service competitive system, as opposed to
16 outside of that process. So if we're talking
17 about --

18 SENATOR GOLDEN: This is outside that
19 process? These are term appointments outside
20 that process?

21 MR. BOONE: I'm not specifically
22 familiar with these 500, so I can't tell you
23 whether they -- I can -- I'd be happy to find
24 out for you.

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1 SENATOR GOLDEN: Thank you. We'd like
2 to know ourselves.

3 On NYSHIP, the health budget and the
4 Governor -- and you just talked about NYSHIP
5 a few minutes ago. The Medicaid prescription
6 formula is about to change, and if that
7 proposal becomes law, is NYSHIP going to
8 follow suit with this prescription formulary?

9 MR. BOONE: We will evaluate the
10 circumstance and see if that makes sense.

11 SENATOR GOLDEN: Well, we don't
12 like -- I don't like the Medicaid
13 prescription formulary. So I'm definitely
14 not going to like that if that's changed the
15 way it's laid out now in the budget. I don't
16 know how my colleagues here on the dais are,
17 but if NYSHIP were to follow that
18 prescription formulary, it would definitely
19 impact across -- have big impacts in the City
20 of New York.

21 MR. BOONE: Well, again, we would
22 evaluate it and see. But, I mean, we've
23 taken it -- what we've tried to do in the

24

NYSHIP program is take advantage of any

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1 change, whether federal or otherwise.

2 SENATOR GOLDEN: These are the

3 Governor's proposals.

4 MR. BOONE: Right. But that provides
5 a savings.

6 And the other thing we've done is
7 that -- in earnest over the last two years is
8 to heighten our collaboration with the
9 Department of Health to make sure that we are
10 taking advantage of the Medicaid changes that
11 would be appropriate to incorporate into
12 NYSHIP to benefit our enrollees.

13 SENATOR GOLDEN: Last question,
14 Mr. Chairman.

15 And thank you again for being here,
16 gentlemen.

17 We see what's going with the Mayor of
18 the City of New York with these contracts,
19 and there's no reserve funds for these
20 contracts. Have you prepared for any type
21 of -- when your contracts go forward, do you
22 have a reserve fund? Are you prepared for
23 the contracts coming up?

24 MR. BOONE: I would respectfully defer

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1 that to my colleague, if I may, who's in
2 charge of the collective bargaining for the
3 Governor.

4 MR. VOLFORTE: Senator, I do not

5 believe the state has a strict reserve fund
6 for future collective bargaining agreements.

7 SENATOR GOLDEN: So how are you
8 looking at the reserve funds? How are you
9 looking -- when the -- no reserve funds, so
10 how are you planning to pay on the contracts,
11 the future contracts coming up?

12 MR. VOLFORTE: As those negotiations
13 proceed, I think we're going to be looking at
14 savings within the negotiations to help fund
15 those, but those are -- and that's typical of
16 all of our negotiations.

17 SENATOR GOLDEN: Thank you.

18 CHAIRMAN DeFRANCISCO: Anyone else?
19 Thank you very much. I appreciate
20 your testimony. You're free. You're free.

21 (Laughter.)

22 MR. BOONE: Thank you.

23 CHAIRMAN DeFRANCISCO: We will be,
24 later on.

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1 The next speaker is Michael N.
2 Volforte -- oh, you're with him, you're
3 together. Isn't that nice.

4 MR. VOLFORTE: It's not often I can
5 sneak into a room.

6 CHAIRMAN DeFRANCISCO: Well, good.
7 You snuck into the room and you get out of
8 the room without much damage.

9 SENATOR SAVINO: Not now.

10 CHAIRMAN DeFRANCISCO: And you are

11 also free. Two o'clock, CSEA --
12 SENATOR SAVINO: Do you have separate
13 testimony?
14 MR. BOONE: Yes, he does.
15 CHAIRMAN DeFRANCISCO: Oh, you do?
16 MR. BOONE: Yes.
17 MR. VOLFORTE: Yes.
18 SENATOR SAVINO: I thought so.
19 CHAIRMAN DeFRANCISCO: Oh, I didn't
20 know. Okay. Two separate slots here. Then
21 you're not free. Go right ahead.
22 SENATOR KRUEGER: We gave you a chance
23 to run, but you didn't take it.
24 MR. VOLFORTE: Yes. And I'm not fast,

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1 apparently, either. But thank you for the
2 opportunity.
3 Chairman DeFrancisco, Chairman
4 Farrell, and honorable members of the
5 Assembly and Senate, I'm Michael Volforte,
6 and I serve as the interim director of the
7 Governor's Office of Employee Relations,
8 GOER. Thank you for the opportunity to
9 appear before you to address Governor Cuomo's
10 Executive Budget for fiscal year 2015-2016 as
11 it relates to GOER.
12 Before we look at next year, let me
13 talk a little about what we've been doing.
14 During the past year, we've reached
15 collective bargaining agreements with the
16 unions that represent graduate students

17 employed by the State University of New York,
18 employees within the Division of Housing and
19 Community Renewal, and supervisory employees
20 with the Division of State Police. These
21 agreements continue to build on the vision
22 that the state has established over the last
23 four years: responsible controlled wage
24 growth, rebalanced health insurance premium

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1 contributions, and sensible changes in
2 employee health plan design.

3 Currently, we've completed
4 negotiations for over 97 percent of the state
5 workforce, and continue to move forward with
6 the goal of reaching an agreement for all
7 employees in the coming year.

8 Throughout the past year, we
9 strengthened our collaboration with the
10 Department of Civil Service, our strategic
11 partner in human resources management. The
12 goal is that we speak with a unified voice
13 and take action with a unified strategy, in
14 an attempt to harmonize what has heretofore
15 been a disjointed approach to human resources
16 management.

17 During last year's testimony we
18 highlighted our plan to train agency human
19 resource managers to provide them with the
20 tools to be a strategic resource within their
21 own agency in areas such as workforce
22 planning, performance management, employee

23 engagement, and talent development. This
24 training was also designed to develop these

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1 individuals into strategic partners for GOER
2 and Civil Service as we continue to move the
3 state forward in the process of developing
4 and managing the workforce in a strategic
5 manner.

6 I'm pleased to inform you that the
7 human resource managers successfully
8 completed the training and have begun putting
9 the lessons and skills learned to good use.
10 We are committed to continuing the
11 professional development of these employees,
12 and have established additional professional
13 development courses for them to attend over
14 the coming year.

15 Over the past year, employees of GOER
16 and the labor management committees continued
17 their high quality service to the workforce.
18 Thousands of employees have taken advantage
19 of the state's three pretax benefits
20 programs -- the Health Care Spending Account,
21 the Dependent Care Advantage Account, and
22 NYS-Ride, our pretax transportation benefit
23 program that permits employees to use
24 before-tax monies to purchase travel on mass

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1 transit.

2 Our employees also continued valuable

3 support services for the workforce in terms
4 of improving their personal and professional
5 lives through our website, webinars and
6 in-person events; fostering employee health
7 through wellness programs; hosting
8 informational seminars to assist employees to
9 plan for retirement; providing support for
10 the various child care centers that are
11 located on New York State worksites; and
12 providing resources and referral services
13 through the Employee Assistance Program for
14 employees who are suffering personally.

15 This past year, for the first time, we
16 successfully expanded our enterprise-wide
17 training programs for employees, supervisors
18 and managers with a total of nine
19 comprehensive and consistent training
20 programs. These programs include internal
21 control; privacy of health information and
22 cyber security training, designed to educate
23 the workforce about the need to protect the
24 state's and public's information technology,

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34

1 health information, and other assets;
2 workplace violence prevention and
3 right-to-know training -- programs designed
4 to provide basic safety information to
5 employees and protect them in the work
6 environment; equal employment opportunity and
7 sexual harassment prevention training, which
8 are programs designed to educate our

9 employees about their rights to a
10 discrimination-free workplace and procedures
11 for filing complaints of discrimination;
12 reasonable accommodation for employees and
13 reasonable accommodation for religious
14 observances for employees, which are programs
15 designed to make sure that supervisors and
16 managers are aware of the rights of employees
17 to receive such accommodations and the
18 procedures that need to be followed to ensure
19 that those rights are protected; language
20 access and reasonable accommodation for
21 members of the public training, programs
22 designed to eliminate barriers to the access
23 of governmental services by members of the
24 public.

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1 Additional training was offered in
2 many areas such as job skills and
3 professional development for a wide array of
4 represented and unrepresented employees.
5 These programs demonstrate not only the
6 Governor's vision of inclusiveness in the
7 workplace and dedication to eradicating
8 discrimination, but a strong reminder to the
9 public at large that our employees will serve
10 all members of the public competently and
11 completely.

12 Quickly, with respect to the year
13 ahead, my office is busy preparing for
14 negotiations for successor agreements for two

15 collective bargaining agreements that will
16 expire later this year, in addition to
17 planning for contract negotiations that
18 will -- contracts that will expire next year.

19 There are no layoffs proposed under
20 Governor Cuomo's fiscal year 2015-2016
21 budget. Moreover, his budget actually
22 anticipates growth in the state workforce by
23 approximately 846 people by the end of the
24 next fiscal year. The Governor's budget, in

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36

1 a fiscally responsible manner, restores pay
2 parity for Management/Confidential employees
3 through the restoration of previously
4 withheld salary increases in base
5 compensation beginning in July of this year.

6 Once again this year, we will build on
7 the gains we made last year and continue to
8 increase the capacity and skills of the state
9 workforce to deliver the highest quality
10 services to the public.

11 Thank you again for the opportunity to
12 speak with you and answer any questions that
13 you have.

14 CHAIRMAN DeFRANCISCO: Thank you.

15 Senator Savino.

16 SENATOR SAVINO: Thank you, Senator
17 DeFrancisco.

18 Thank you for your testimony. So I'm
19 going to -- I just want to clarify again. We
20 have several state contracts that are set to

21 expire within the next year, but there's no
22 labor reserves in this budget. So let's
23 assume all the planets are in alignment and
24 everybody is happy with each other and you

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1 can sit down and bang out a contract with, I
2 don't know, some percentage increases. How
3 are we going to pay for it if we don't budget
4 for it, if we don't even have a labor reserve
5 for it?

6 MR. VOLFORTE: As part of our
7 deliberations in terms of ultimately
8 negotiating a contract, the cost will
9 undoubtedly be a factor. And that's the way
10 that it's been consistently handled for -- as
11 far as I'm aware, for the entirety of my
12 career, which goes back approximately
13 18 years.

14 SENATOR SAVINO: So in the past there
15 was never a labor reserve set aside for the
16 potential settlement of labor contracts?

17 MR. VOLFORTE: There may -- there may
18 have been amounts noted in the budget and
19 budget documents noting patterns of
20 already-agreed-upon agreements and perhaps
21 their effect on those patterns as they're
22 extended to other employees.

23 But I'd have to go back and check and
24 consult with the Division of Budget -- but

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1 I'm not specifically aware of a specific

2 labor reserve fund.

3 SENATOR SAVINO: Would it be possible
4 for the state to absorb the costs of the
5 contract settlements if they were to come
6 about sooner rather than anticipated?

7 MR. VOLFORTE: It would depend on the
8 settlement.

9 SENATOR SAVINO: Well, since you'd be
10 at the table on the settlement, you'd have a
11 lot to say about that.

12 I just find it odd that there's no way
13 to identify that there's a -- whether we want
14 to call it a rainy day fund or not, it's
15 just, minimally, a labor reserve fund for the
16 likelihood of settlement of contracts. But
17 as you said, you don't believe there is one.
18 Well, I'll accept your word at that point.

19 I want to move to the issue of
20 Management/Confidential pay raises which have
21 been a subject of much consternation
22 traditionally.

23 I'm sure -- you said you've been here
24 18 years. Previously, the M/Cs could always

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1 depend upon whatever the same percentage
2 increase was negotiated with the bargaining
3 unit members. There has been a disruption in
4 that pattern in the past couple of years.
5 We've attempted to correct it legislatively.
6 I think Senator DeFrancisco passed and
7 sponsored legislation to address that issue;

8 it's been vetoed.

9 But the M/Cs, their concern, of
10 course, is money that's owed to them and the
11 future of their potential raises. It
12 actually probably makes more sense now to
13 stay in the bargaining unit than it does to
14 become a manager.

15 And that also is going to affect the
16 future of the state's workforce. We need to
17 retain our best and brightest, both at the
18 workforce level and in the managerial level,
19 and I'm afraid that we're not doing that.

20 So let's assume PEF -- and PEF is, I
21 think, the first contract up -- if PEF
22 negotiates a contract with you and their
23 raises are higher than those that are
24 proposed in the budget right now for M/C

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1 employees, would you come back and request
2 parity for the M/Cs with the PEF contract, or
3 will we leave them behind again? Or has
4 there been any discussion about this?

5 MR. VOLFORTE: The proposal that's in
6 the State Budget is exclusive of what happens
7 with regard to represented employees in the
8 future. It is solely designed to eventually
9 restore salary-to-salary percentage increase
10 compensation on a prospective basis.

11 If there are other agreements that
12 give raises in future years that are not
13 contemplated by this piece of the budget, we

14 will have to revisit what happens to the
15 M/Cs.

16 SENATOR SAVINO: Well, we would hope
17 that you would revisit that.

18 And finally, as I said, the M/Cs have
19 been through a lot in the past couple of
20 years -- as everybody has -- but in the past
21 when we budgeted for them, Division of Budget
22 refused to release the funds to pay those
23 raises. Can we anticipate that they're not
24 going to do that this time, that if there's

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1 an agreement on M/C raises that they will
2 actually get that money?

3 MR. VOLFORTE: My understanding is
4 that the M/Cs are scheduled to get their
5 April 1, 2015, raise. That's in current law.
6 And if passed, the July 1, 2015 raise and
7 those other raises will be paid.

8 SENATOR SAVINO: Okay. Thank you.

9 CHAIRMAN DeFRANCISCO: Denny?

10 CHAIRMAN FARRELL: Questions? None?

11 CHAIRMAN DeFRANCISCO: Senator
12 Krueger.

13 SENATOR KRUEGER: Just one follow-up
14 question to Diane's questions about the M/C
15 raises.

16 Because we've been fighting this out
17 for so many years, what happens to workers
18 who retired or left service between 2009 and
19 today?

20 MR. VOLFORTE: The proposal doesn't
21 cover any of those employees.

22 SENATOR KRUEGER: So they're just
23 locked out because they didn't wait long
24 enough.

♀ 42

1 MR. VOLFORTE: It doesn't -- it
2 doesn't cover them. You're correct.

3 SENATOR KRUEGER: Thank you.

4 CHAIRMAN DeFRANCISCO: Now you're
5 free. Thank you very much.

6 CHAIRMAN FARRELL: Thank you.

7 CHAIRMAN DeFRANCISCO: Appreciate it.

8 Fran Turner, CSEA, she submitted
9 testimony. I don't think she's going to be
10 here.

11 So we go on to PEF, Susan Kent,
12 president.

13 On deck, Barbara Zaron and Joseph
14 Sano, OMCE. I've never seen them before, so
15 it's going to be nice to hear from them.

16 Whenever you're ready.

17 MS. KENT: Good afternoon.

18 CHAIRMAN DeFRANCISCO: Good afternoon.

19 MS. KENT: I'm Susan Kent. Thank you
20 for letting us provide this testimony.

21 Chairman Farrell, Chairman
22 DeFrancisco, committee members and --
23 Chairman DeFrancisco, I have to tell you that
24 I probably haven't seen all of them, but I

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1 have seen a lot of the legislative hearings,
2 and you run a tight ship. Not that you
3 don't, Chairman Farrell.

4 But I can assure you that I am not
5 going to read my testimony. I have bullet
6 points, it is detailed, but not as detailed
7 as the testimony. So I hope I'm going to
8 start off on the right foot for you.

9 CHAIRMAN DeFRANCISCO: Very good. And
10 it's actually for the other people that are
11 waiting, not for me.

12 MS. KENT: Okay.

13 CHAIRMAN DeFRANCISCO: Go ahead.

14 MS. KENT: I understand that.

15 So as I said, I'm Susan Kent. I
16 represent 54,000 professional, scientific,
17 and technical workers that work throughout
18 the State of New York. Our union is a strong
19 union and we are very proud of the work that
20 our members do.

21 The good news in this year's budget is
22 that our economy is beginning to show signs
23 of recovery and tax revenue is expected to be
24 more than 6 percent this fiscal year. In

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1 fact, just this past Tuesday the Governor, at
2 an address to our brothers and sisters in
3 labor, touted the strength of the economy in
4 calling for a higher minimum wage.

5 We at PEF absolutely support this, and

6 we applaud the Governor and everyone that
7 worked to ensure that the minimum wage will
8 rise. We believe that it could rise a little
9 higher, but this is a good start. And so we
10 want you to know that PEF is in full support
11 of that.

12 However, we believe that there is a
13 drastic difference in the way the Governor is
14 handling the money that we do have in the
15 budget when it comes to public services and
16 when it comes to the money that the agencies
17 need to provide these vital services.

18 The Governor, in addition, proposes
19 more policies that undermine the civil
20 service system, and he continues to extend
21 privatization at every turn. His budget
22 continues to reward the rich and powerful
23 with millions in corporate welfare while
24 leaving the most vulnerable, the disabled,

♀ 45

1 those living with mental illness at the mercy
2 of underfunded and overwhelmed public and
3 private-sector providers where too many fall
4 through the cracks and end up in costlier and
5 less suitable places like emergency rooms and
6 jail cells.

7 I want to talk a little bit about our
8 budget priorities. The first I want to talk
9 about is design-build. We are opposed to
10 design-build for several reasons. The
11 professional staff employed by New York State

12 agencies is the most competent, is the most
13 cost-effective solution to design needs in
14 this state. Multiple studies have shown that
15 consultant engineers are more costly than
16 in-house engineers. In fact, our research
17 shows that consultant engineers cost about
18 87 percent more than in-house engineers.

19 We have been trying for years to get a
20 common-sense legislative bill passed for
21 cost/benefit analysis. This is something the
22 taxpayers need, it's something that makes
23 sense, and I would ask you to please consider
24 that you would look at, in this year's

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1 budget, putting in language that would
2 require a cost/benefit analysis before the
3 state goes to consultants to provide what
4 should be provided by the public sector.

5 DOT staffing levels are at historic
6 lows. PEF-represented engineering positions
7 have been reduced by almost 19 percent since
8 2008, and over 31 percent since 2000.
9 Design-build legislation would effectively
10 remove these cost-effective employees from
11 the playing field as New York State employees
12 design and inspect but do not build.

13 New York State can save real money and
14 get greater value out of the dwindling
15 transportation dollars by doing more
16 engineering work in-house and decreasing its
17 reliance on costly consultants. Any

18 legislation that increases the state's
19 reliance on costly consultants is misguided
20 and is not in the taxpayers' best interest.

21 While cost is an important factor,
22 design-build introduces more subjectivity
23 into the contract award process, reduces
24 competition, and may decrease objective

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1 oversight of projects. New York State's
2 competitive bidding laws have guaranteed
3 taxpayers the best price for public-works
4 construction projects and have helped
5 maintain public trust and confidence in the
6 awarding of public-work contracts.

7 Design-build represents a shift away
8 from the lowest bid to a more subjective best
9 value. Best-value bids have a number of
10 subjective criteria, of which cost is only
11 one element. Design-build reduces
12 competition because fewer companies are
13 capable of performing both the design and
14 build aspects of the contract; thus, the
15 ability to compete for projects is
16 consolidated in the hands of a few large
17 enterprises.

18 If in fact the Governor is interested
19 in making sure that more New Yorkers are put
20 to work, the way to do that is to make sure
21 that small businesses can compete and that
22 people can be put back to work, not award
23 these contracts to large megacompanies that

24 are often out-of-state companies. That is

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1 not going to help New York State's economy.

2 Given these facts, we urge the
 3 Legislature to cast a critical eye towards
 4 design-build. Before this legislation is
 5 renewed or expanded, the public and the
 6 Legislature should know if design-build
 7 procurement truly provides savings and/or any
 8 advantages to the public. We believe the
 9 Legislature should demand an independent,
 10 objective study be performed to review
 11 New York's actual experience with
 12 design-build procurement and the results of
 13 this study should be made public, and we
 14 would suggest at least six months prior to
 15 any extension or expansion of this
 16 legislation.

17 In terms of public health, when it
 18 comes to healthcare, SUNY teaching hospitals
 19 are vital resources to the community. Once
 20 again the Governor is proposing to cut
 21 \$18.6 million from SUNY hospitals in his
 22 proposed budget. SUNY hospitals are
 23 hallmarks of excellence and provide vital
 24 medical education, research, and essential

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1 healthcare services to their communities, and
 2 specialty-care services such as burn units,
 3 trauma care, and stroke centers.

4 SUNY Downstate in particular serves

5 more than a quarter-million patients a year
6 and has 75 community outreach programs and
7 services for a diverse population and a high
8 number of underinsured and uninsured people.

9 Though the Governor proposes
10 \$700 million for Brooklyn healthcare, details
11 of the plan are not clear. What is clear in
12 this proposal is it grants sweeping authority
13 to the commissioner of Health by authorizing
14 the commissioner to have sole discretion in
15 awarding no-bid contracts and grants funded
16 by the \$700 million appropriation.

17 The lack of transparency and detail of
18 this proposal makes it suspect, and we
19 therefore believe it should not be included
20 in the final state budget in its current
21 form. We agree that healthcare in Brooklyn
22 is changing. We have worked together to
23 adjust to these changes. However, it is
24 vital that Brooklyn continue to be served by

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1 SUNY Downstate, which caters to an incredibly
2 diverse, needy community while providing
3 medical education for a new generation of
4 skilled doctors, nurses and other healthcare
5 professionals.

6 This is why, last year, we urged
7 support for the Brooklyn Hospitals Safety Net
8 Plan. This proposal, based on the
9 recommendations from organized labor's plan
10 to stop the Governor's attempt to dismantle

11 SUNY safety-net hospitals, continues to be a
12 far better approach. We ask you to please
13 make sure that this Brooklyn Safety Net Plan
14 is thoroughly investigated and looked into.

15 And also we must state that PEF is
16 vehemently opposed to the Governor's proposal
17 to allow private equity investments into
18 New York State's healthcare system. His
19 proposed demonstration program will open the
20 door to privatization of public hospitals and
21 undermine the entire healthcare system. And
22 we have ample evidence that I believe has
23 been shared with all members of the
24 Legislature about where this privatization

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1 and private equity has wreaked hazard {sic}
2 on the states that have introduced it.

3 In terms of the Roswell Park Cancer
4 Institute, we ask that you not allow the
5 Governor to cut \$15.5 million from this
6 hospital. It is a Hospital of Excellence, it
7 is helping people survive and live with
8 cancer and recover from cancer. You helped
9 us last year, you helped the community and
10 the people that need this hospital, and again
11 we ask you this year to please make sure that
12 the money in the budget is restored to
13 Roswell Park Cancer Institute.

14 In terms of the juvenile justice
15 reform, I want to tell you that yesterday I
16 was at a walk-through at Greene Correctional

17 Facility. I have done many walk-throughs in
18 my two and a half years as president of PEF,
19 but this one in particular was so
20 disturbing -- so disturbing because this
21 prison is a prison that caters to under 21.
22 And face after face after face after face of
23 what looked like babies to me are
24 incarcerated.

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52

1 So the Governor's plan for the 16- and
2 17-year-olds to not be imprisoned, we
3 absolutely support. Our professionals at the
4 Office of Children and Family Services have
5 been cut to skeletal levels, as have most all
6 state agencies, so I want to let you know
7 that we absolutely are in support of this
8 initiative, but we need to make sure that we
9 are going to do this thoughtfully and that we
10 are going to do it in a way that these
11 juvenile offenders are taken out of an adult
12 prison but are put in the care of the state
13 under OCFS, where they can get what they need
14 to turn their lives around while making sure
15 that the community is going to be safe.

16 The Legislature helped us previously
17 not to let Close to Home expand, and that was
18 very important. Not because youth should not
19 be near their communities and their families,
20 but because moving youth to nonsecure
21 facilities that are run by the private sector
22 has turned out to be something that is not an

23 improvement for their lives and not a
24 safeguard for communities.

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1 So I ask you -- I implore you to
2 please make sure that if the Legislature so
3 decides that the 16- and 17-year-old
4 initiative should be passed, that you make
5 sure that those juvenile offenders are
6 entrusted to the care of OCFS and that OCFS
7 has the resources they need to do this very,
8 very important job. Because if not, what I
9 saw yesterday we're just going to continue to
10 see, and our communities are not going to be
11 any safer and we're not going to be turning
12 around what is a social ill that has been in
13 this state for far, far too long.

14 CHAIRMAN DeFRANCISCO: Excuse me. Is
15 that clock working in front of you there?
16 See that clock?

17 MS. KENT: Oh, it's a zero.

18 CHAIRMAN DeFRANCISCO: I just want to
19 make sure. Can you sum up? Because
20 another --

21 MS. KENT: I will, I will. I will sum
22 up. I'm sorry, I wasn't looking at it.

23 There are many issues that we believe
24 we have covered with you, and they're in our

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1 testimony. But we also oppose taking the
2 teachers out of OCFS, OMH, replacing it with

3 private contractors through BOCES. This is
4 not what these children need. They need the
5 holistic care of people that know how to
6 educate them and also know the issues they're
7 dealing with.

8 There are a whole host of proposals in
9 the Governor's plan to erode civil service.
10 We absolutely are against that and ask that
11 you stand with us on the issues of not
12 eroding civil service, not privatizing, and
13 not downsizing to the point where people
14 living with mental illness, people that have
15 developmental disabilities, and people that
16 have addictions do not have the care that
17 they need.

18 In conclusion, I want to thank you
19 again for letting me testify, being in
20 support of what PEF has said earlier and
21 ongoing, that we need our government to work
22 for the people, and the way we make that
23 happen is to make sure the agencies have the
24 staff they need and the resources they need

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1 to do their jobs.

2 Thank you.

3 CHAIRMAN FARRELL: Thank you.

4 CHAIRMAN DeFRANCISCO: Thank you.

5 I checked, and there was no question.

6 It has nothing to do with the quality of your
7 testimony, it has to do with the fact that
8 we've been doing this ad nauseam.

9 MS. KENT: Thank you very much.
10 CHAIRMAN DeFRANCISCO: And we're --
11 some people are getting tired.
12 Thank you very much.
13 MS. KENT: Thank you.
14 CHAIRMAN DeFRANCISCO: Barbara Zaron
15 and Joseph Sano, Organization of
16 Management/Confidential Employees.
17 And on deck is Edward Farrell -- no
18 relation to the chairman here -- executive
19 director, Retired Public Employees
20 Association.
21 MS. ZARON: Good afternoon.
22 CHAIRMAN DeFRANCISCO: Good afternoon.
23 MS. ZARON: Nice to be with you again.
24 CHAIRMAN FARRELL: Hello.

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1 MS. ZARON: Thank you for having us
2 testify.
3 CHAIRMAN DeFRANCISCO: Could you move
4 the mic just a little closer? Okay.
5 MS. ZARON: Is this better?
6 CHAIRMAN DeFRANCISCO: Great.
7 MS. ZARON: Okay. I just want to
8 reference a couple of comments that were made
9 earlier.
10 Commissioner Boone said that
11 80 percent of the workforce is in the
12 competitive class. If you look at page 4 of
13 our testimony, we have a chart. In the M/C
14 group, it's only 57 percent at this point.

15 And the exempt class is now at 30 percent of
16 the M/C workforce, which is outrageously
17 high -- and not in the best interests of the
18 public.

19 So we're here once again, we've talked
20 to you at least five years about the M/C
21 salary issue. And I think, Senator Savino
22 and Senator Krueger, you've covered some of
23 the points that we were planning to cover.

24 You know that the Governor has

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1 proposed in his budget a payment plan of the
2 withheld salary increases. The problem is
3 that this is a flawed payment plan. M/Cs
4 have already waited six years for this issue
5 to be satisfactorily addressed. The Governor
6 is proposing that they wait another four
7 years. So that would mean that it would be
8 10 years before people would actually get the
9 authorized salary increases that were
10 withheld paid back to them, and that's just
11 unreasonable.

12 So I'm going to start at the end,
13 which is what we are going to ask you to do.
14 And we thank you for all the support that you
15 have provided in the past five or six years,
16 the passage of legislation and your support.

17 So here's what M/Cs really need. We
18 need you to include in each house's budget a
19 resolution for full restoration of the
20 7.18 percent salary increase during this

21 fiscal year.

22 We also need -- you asked the question
23 about those people who have been retired
24 already, and the administration has taken a

♀ 58

1 very strong position that they should not get
2 paid anything, even though they earned this
3 money. They worked for it, they earned it,
4 and then they left. So we also need a
5 provision for a lump sum payment -- well, let
6 me go back.

7 Full restoration of the 7.8 percent
8 salary increase during this fiscal year,
9 provision for the lump sum payment of any
10 outstanding balance of these monies for those
11 who leave state service before payment is
12 completed. A waiver of the retirement
13 system's 10 percent earnings limitation -- a
14 necessary appropriation because in the
15 Governor's plan, the funding for this year's
16 increases will come out of agency budgets
17 that are going to be flat, so they would not
18 be able to accommodate additional funding.
19 And we need a payment plan for those who are
20 already retired so that their pensions can be
21 correctly recalculated.

22 So, as I said, 10 years is too long
23 for them to have to wait. The Governor
24 proposed a four-year salary schedule. These

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1 salary increases are earned income, and they

2 should be paid. The appropriation is needed
3 to do that. Senator Savino raised the
4 question of will these raises be withheld in
5 the future. That's a real serious fear for
6 M/Cs. It's been done before. Hopefully it
7 won't be done, but there's no guarantee that
8 it won't be done.

9 And as you also pointed out, the
10 upcoming negotiations with the unions may
11 produce agreements that will put M/Cs even
12 further behind again, because in the
13 Governor's proposal it will be four more
14 years before this salary schedule is paid
15 out.

16 So the continuing manipulation of the
17 salary schedules is really not a way to do
18 business and results in unintended
19 consequences that are really difficult to
20 fix. And this is something that really needs
21 to be addressed in a more comprehensive
22 manner.

23 So we know that there's another issue
24 here, and that is that in the Governor's

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1 budget proposal he says that he wants to
2 exclude those bargaining unit employees who
3 may have received a 3 percent or a 4 percent
4 increase in 2009 and 2010 and then were
5 promoted into an M/C position. Well, what we
6 have found out is that there are many people
7 who did not get the 3 percent and/or the

8 4 percent.

9 And as a matter of fact, there's a
10 payroll bulletin that's been in effect for
11 many years that requires that if a bargaining
12 unit person gets promoted within one fiscal
13 year to a position in another unit, if they
14 had gotten a raise in the bargaining unit,
15 that raise has to get backed out of the
16 salary calculation before the promotion
17 salary gets calculated. So they might have
18 gotten the 3 percent, but then that gets
19 taken away from them if they're promoted into
20 another unit; for example, the M/C unit. So
21 Budget's idea that people are getting two
22 bites at the same apple simply is not correct
23 in practice.

24 Okay, we talked about the employees

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1 leaving state service before the full -- the
2 full payment.

3 All right, the Governor's plan -- this
4 was another question -- does not address the
5 approximately 3,000 people who have retired
6 since 2009 -- between 2009 and 2014 who were
7 not paid any of the withheld salary increase.
8 So this affects their pension, this affects
9 their Social Security benefits, it affects
10 the calculation of their sick leave for
11 health insurance payment purposes. It's
12 really a bad deal.

13 This money is considered earned

14 income. It should have been paid then, but
15 since it wasn't, it should certainly be paid
16 now, and their pensions would need to be
17 recalculated to reflect the previously
18 approved funds that were withheld.

19 There are approximately another
20 3,000 M/Cs who are eligible to retire in the
21 next several years. Now, this is an issue in
22 terms of managing the state workforce.
23 Unfortunately, it's an issue that's been
24 created by the administration by not paying

♀

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1 people when they should have been.

2 So we need to fix this. We really
3 need to fix this. This is the sixth year
4 that we're talking about this. We really
5 need to fix it now. We appreciate the
6 Governor putting this plan in the budget,
7 which is an acknowledgement that the money
8 was earned and needs to be paid. However,
9 waiting 10 years for it to be fixed is wrong.
10 Continuing to manipulate the salary schedules
11 for M/Cs, who are 6 percent of the workforce,
12 is simply wrong. Waiting again to treat M/C
13 employees and retirees fairly and properly is
14 wrong. Not promptly paying them their
15 withheld earnings is wrong.

16 So we're asking you to work with us to
17 accelerate this payment schedule into this
18 fiscal year. And we fully acknowledge that
19 would require an appropriation of money,

20 because the agencies cannot, in their flat
21 budgets, accomodate all of the money that
22 would be necessary.

23 However, I call to your attention --
24 and you have probably all seen this, but the

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1 Governor tweeted this message the other day.
2 And he said: "Let's show that we respect
3 labor, we respect workers, and when they are
4 respected, they do better and everyone does
5 better. That is the New York way, and let
6 that resonate all across this country."

7 Well, we certainly agree with that,
8 and we're asking you to do everything's that
9 in your power to help us fix this
10 long-standing problem.

11 Questions?

12 CHAIRMAN DeFRANCISCO: Thank you very
13 much.

14 MS. ZARON: Comments.

15 CHAIRMAN FARRELL: Thank you.

16 CHAIRMAN DeFRANCISCO: Well, the
17 Legislature has shown its support the last
18 couple of years --

19 MS. ZARON: You have.

20 CHAIRMAN DeFRANCISCO: -- by passing
21 legislation, and somebody vetoed it. So
22 we'll do our best to help you during this
23 budget season.

24 Thank you very much.

♀

1 CHAIRMAN FARRELL: Thank you.

2 MS. ZARON: Thank you.

3 CHAIRMAN DeFRANCISCO: Edward Farrell,
4 executive director, Retired Public Employees
5 Association.

6 On deck, Dammi Herath.

7 CHAIRMAN FARRELL: I've been joined --
8 the Assembly has been joined by Assemblywoman
9 Fahy.

10 MR. FARRELL: Good afternoon. I'm Ed
11 Farrell, I'm the executive director of
12 the Retired Public Employees Association.

13 I commend you for your efforts here in
14 staying through this. I submitted my
15 testimony; I will be incredibly brief. I
16 just have a couple of comments to make.

17 There are two issues as it relates to
18 the budget that are particularly important to
19 retirees. One has to do with the increase in
20 health insurance costs that was passed on to
21 retirees. Back when you approved the CSEA
22 contract back in 2011, on a message of
23 necessity nearly unanimously, in that
24 contract there was a sentence that said

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1 notwithstanding any other provision of law,
2 if the director of the budget and the
3 president of civil service so decided, they
4 could pass on the increases and the percent
5 of premium paid to -- CSEA accepted in

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exchange for a no-layoff provision -- to retirees and other employees.

"Other employees" would certainly be Barbara's people, the M/Cs. But "retirees" we found somewhat unprecedented, because in the past when you have increased the rate, the percent of premium that retirees in NYSHIP pay, it's been prospective. Similar to when you create a new tier, you never went back and put the increase on people who were already retired.

So we think you can fix it. The financial situation now is vastly different than it was four years ago. And certainly if we have money to create a program to invite out-of-staters to come to New York and pay no taxes, we can certainly do right by people who've spent their entire career working here.

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And Senator Golden has a bill to do that, cosponsored by Assemblyman Abbate. So we bring that to your attention.

There's just one other issue that I want to raise, and it has to do with Medicare reimbursement. Civil Service has determined that they do not have the statutory authority to reimburse retirees for prescription Medicare. So we think that's something that should be rectified. It's their position that since this is a fairly new program, the

12 language currently in law does not cover it.
13 Which we think is kind of silly, because if
14 it covers Part A and Part B, it should cover
15 Part D. Or whatever other part may come
16 along.

17 So we ask you to please fix that.
18 There's no reason to say that this should not
19 be reimbursed to retirees, because when the
20 state puts retirees in Medicare, the state
21 saves money.

22 So I thank you for the opportunity to
23 present these. I thank you for what you've
24 done in the past in terms of restoring some

♀

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1 of the cuts that the Governor had proposed as
2 it relates to Medicare.

3 Any questions?

4 SENATOR KRUEGER: Senator Marty
5 Golden.

6 SENATOR GOLDEN: Thank you, Madam
7 Chair.

8 We'd like to take a look at that, (a).
9 And (b), and if you can, if you can stop in
10 our office next week and we'll talk with
11 my -- or today, on the way upstairs, and when
12 you're leaving here we'll sit down and talk
13 with you and see what approaches we can take.

14 MR. FARRELL: That'd be great. Thank
15 you. Thank you very much.

16 CHAIRMAN FARRELL: Thank you.

17 SENATOR KRUEGER: Thank you.

18 Our next testifier is Dammi Herath,
19 executive director, Tompkins and Onondaga
20 Counties Women's Opportunity Center.

21 And next on deck, get ready, Bonnie
22 Landi from the New York State YouthBuild
23 Coalition.

24 MS. HERATH: Hello.

♀

68

1 SENATOR KRUEGER: Good afternoon.

2 CHAIRMAN FARRELL: Good afternoon.

3 MS. HERATH: Good afternoon. Thank
4 you, all the Senators, for giving me the
5 opportunity to come here.

6 I'm Dammi Herath. I'm the executive
7 director of the Women's Opportunity Center of
8 Onondaga and Tompkins counties. But I'm
9 representing our whole Displaced Homemaker
10 Program in New York State, so I'm talking on
11 behalf of everybody.

12 I know I have an accent; please don't
13 feel bad to ask questions if you don't
14 understand what I'm saying.

15 We have 14 centers now throughout the
16 state. And we were never in the Governor's
17 budget, we were always -- you all were kind
18 enough to add us because you all know the
19 value of public services. And we are down to
20 14 now from 21, and it is sad.

21 Last year, we got only \$1.65 million
22 from the budget, and seven centers ran the
23 program as long as they can and they decided

24 to close it. So we are requesting that you

♀

69

1 today at least put in a minimum of \$250,000
2 for each center, which will come to about
3 \$3.5 million.

4 The value of our services -- we serve
5 displaced homemakers. Displaced homemakers
6 traditionally are the women who took care of
7 the family and had a divorce or separation or
8 widowhood and had to become the breadwinner.
9 But now we serve the women who are in TANF,
10 receiving TANF, and when they are getting out
11 of the welfare system they need some support
12 and some training to find jobs.

13 The women we've served the last
14 38 years we've been in business -- and we
15 have served over 350,000 women, and last year
16 itself we served 3,500 -- these women are
17 mostly single mothers and they have small
18 children. And if you think of -- all your
19 life, you had a role model, and that's why
20 you're sitting there and I'm sitting here.
21 And these children are growing up without a
22 role model.

23 And my passion actually started with
24 some children I have seen throughout my

♀

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1 lifetime, 26 years I have been working as the
2 director. One child who came to my center
3 about six or seven years ago with his mother,
4 he was about 5 years old. He was writing on

5 our walls. And the mother was just looking
6 at it and saying nothing. And my staff came
7 in and said, "The child won't stop."

8 So I went and I told the child: "You
9 cannot write on our walls." He came and hit
10 me. And I looked at the mother and asked,
11 "What do you tell him now?" She said, "What?
12 You said no to a man. He has the right to
13 hit you." I'm like, "Excuse me?" She was
14 shocked that I didn't understand it.

15 So I sent that woman to parenting
16 classes and talked to the child often, enough
17 as I can. And I learned -- I told him what I
18 learned from my father. And I heard him
19 saying to my brothers: "Your freedom ends at
20 the end of the tips of your fingers. Even at
21 home, you cannot touch anybody without their
22 permission."

23 And he came a few years ago to thank
24 me. And he's back on track now, taking

♀

71

1 school classes. And this other program, that
2 is the invisible results, is our future
3 generation.

4 You all hear now, all these things
5 coming out now, how men are abusing women and
6 how things are going around. Even Obama, the
7 president, talks about one out of every five
8 women are being abused. We knew that, right
9 along. We have women come in, all missing
10 teeth and all bruises. But we get them jobs,

11 we give them self-confidence.

12 The other program is you all have
13 given us a magic wand. I call it the magic
14 wand that the state gave us. It's not the
15 Governor, it's -- you all have given us the
16 magical wand, that we create magic. And we
17 need to continue to do these programs. We
18 work with all the non-profits in the local
19 areas and with the DSS and with the
20 workforce. We try not to duplicate services,
21 but we are a very special program.

22 It's very easy to overlook our
23 program. But you have to remember this is
24 not for today; you are doing this program for

♀

72

1 the future too. This is the only way you can
2 reduce the violence among the families.

3 I mean, these women -- I came to this
4 country -- this is nutshell -- I came to this
5 country 30 years ago to do -- I was a lawyer,
6 I came to do my Ph.D. I finished my degree,
7 I was going back to make money, I thought. I
8 called my father and asked his blessing. He
9 said: No, any person can make money. Only a
10 very blessed few people can help people. If
11 you can find one person to help a day, I'll
12 give you permission to stay."

13 I now thank -- he's gone, but I tell
14 him I helped five people, can I sleep now?
15 That is the culture that I grew up with.

16 Money, anybody can make money. But

17 what we do -- I cry every day, happy tears
18 and sad tears. The women's stories that they
19 bring here, I cannot believe it is in this
20 community. It is not fair. The only way you
21 can stop those is giving them the tools to
22 help themselves and be powerful.

23 I see three women there. When you
24 think about your parents, think about what

♀

73

1 you have learned from them. Let the other
2 children, the next generation, learn from
3 their mothers. A working mother is a
4 different kind of woman.

5 One woman who didn't come to our
6 computer classes, I called her. She said she
7 covered her head and went to bed because she
8 couldn't find money to get her son to the
9 doctor. That is the way they learn to solve
10 the problems.

11 We are -- 14 centers are together, are
12 working very closely. And another thing is,
13 you all didn't give us a -- when you
14 established this law 38 years ago, you didn't
15 put a cookie-cutter program for us. You
16 allowed our program to fit to the
17 communities. And I have two centers,
18 Onondaga and Tompkins. Both programs are
19 different. We plan it looking at the
20 businesses that are in the communities and
21 the needs, and we plan to fit that program to
22 that community.

23 In Ithaca, we have retail training,
24 and Syracuse we have -- we call it Word

♀

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1 program, for office training. So we plan it
2 and we do it in a very efficient way.

3 So it's very little money when you
4 think about all of them. And I was listening
5 to all the hearings; we're asking very
6 little. And we are giving you 16 percent
7 back -- for every dollar you spend, we are
8 putting \$16 back, when you count the women's
9 income, and the children that we save, and
10 the welfare money you save. This is a
11 win-win situation.

12 Please don't let this program die.
13 It's your responsibility. You have to
14 commit -- I went to Senator DeFrancisco's
15 office. And if you don't have enough money,
16 I'm closing the Onondaga County office next
17 year. We can't run our programs like that.

18 You have to think of what you are
19 committed to. You are all committed to our
20 program. Please think again and think of
21 your neighbors, think of your mothers and
22 siblings. These women have to be very
23 powerful. I mean, I am here because I have
24 very powerful parents, and you all up there.

♀

75

1 Just give a chance to every woman.
2 We -- we have an obligation in this

3 community. I mean, I was listening to all
4 the stories. I'm like, wow. Our thing is
5 very simple, but it is the core of this
6 country. You have to be proud of talking to
7 other nations, saying not a single man hurts
8 a woman. Every woman earns living wages.
9 Make sure that you will one day be able to
10 say that. I mean, we can't. It's a shameful
11 situation. We have to be all ashamed.

12 So I appreciate, and I know I can
13 count on you, especially Senator DeFrancisco,
14 I'm looking at you. And you have to convince
15 your colleagues, because you know what I do
16 there. I took over the Syracuse Center when
17 you asked me to, and they were going to
18 close. And I go there twice a week,
19 traveling back and forth. It's not for
20 money, but because of the work we do.

21 So I appreciate, and I appreciate your
22 tolerating my accent. And thank you so much.

23 And if you have any questions?

24 CHAIRMAN DeFRANCISCO: Thank you.

♀

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1 Thank you for coming. I know we've dealt
2 with this for many years. I don't think
3 there's anything in the Governor's budget, if
4 I'm not mistaken. And there wasn't last year
5 either.

6 MS. HERATH: It has been cutting down,
7 little by little.

8 CHAIRMAN DeFRANCISCO: Okay. And so

9 how do you think it got in the budget last
10 year? People like this, trying to get you to
11 keep going, because we are very sincere. You
12 do wonderful work, and we'll do the best we
13 can.

14 MS. HERATH: Your best, I trust, will
15 be enough for us.

16 CHAIRMAN DeFRANCISCO: Thank you very
17 much.

18 MS. HERATH: Thank you.

19 CHAIRMAN DeFRANCISCO: Thank you.

20 Is Bonnie Landi here? You are. Did
21 you bring testimony with you? Okay. Could
22 you give it to one of the gentlemen over
23 here?

24 This is the New York State YouthBuild

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1 Coalition.

2 MS. LANDI: Good afternoon.

3 CHAIRMAN FARRELL: Good afternoon.

4 MS. LANDI: Thank you for having us.

5 We appreciate it.

6 My name is Bonnie Landi, and I'm the
7 chair of the New York State YouthBuild
8 Coalition. And I'm here with a colleague,
9 Jennifer Lawrence, who is the vice chair, and
10 she represents the Schenectady YouthBuild
11 Program.

12 Chairman DeFrancisco, Chairman
13 Farrell, and distinguished members of the
14 committee, thank you for the opportunity to

15 speak on behalf of New York State YouthBuild
16 programs and the request for a budget add-on
17 to the fiscally 2015-2016 Executive Budget,
18 which was submitted for your consideration by
19 legislative members from the Senate and the
20 Assembly.

21 Our comments relate to the urgent need
22 for funding to support New York State
23 YouthBuild programs. Currently there are 17
24 operating programs located in Albany,

♀

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1 Buffalo, Brooklyn, South Bronx, Harlem,
2 East Harlem, Jamaica Queens, Long Island,
3 Manhattan, Kingston, Poughkeepsie, Troy,
4 Rochester, Schenectady, Syracuse, Utica, and
5 White Plains. In addition to these currently
6 operating programs, we know of agencies in
7 Auburn, Ithaca, Jamestown, Newburgh, Olean,
8 Rome, and Yonkers who have applied for
9 YouthBuild funding but to date have been
10 unsuccessful.

11 YouthBuild is a comprehensive
12 education, hands-on skills training community
13 service program with leadership development
14 as part of its core, providing young people
15 who have dropped out of high school an
16 opportunity to transform their lives and
17 become responsible, contributing adults.
18 YouthBuild as a program serves the most
19 at-risk people in communities, and it
20 originated in New York State before being

21

expanding nationally.

22

It is an exciting New York State Best Practice that now serves thousands of young people each year in 273 programs located in

23

24

♀

79

1

44 states -- remember, it started here --

2

providing a service to high school dropouts

3

that most communities would lack if it were

4

not for YouthBuild.

5

YouthBuild is in urgent need. As you

6

are aware, in New York State thousands of

7

young people ages 16 to 24 drop out of school

8

annually. The number remains high and

9

continues to increase. We hear various

10

reasons from students as to why they dropped

11

out, but the common theme is "High school

12

just didn't work for me. YouthBuild is

13

different. It is a loving, caring

14

environment where I can learn."

15

These young people are disconnected,

16

out of school, and out of the workforce,

17

neither employed nor looking for work.

18

Disconnected youth are the youth in the

19

middle. They are the youth with barriers to

20

success because they are no longer in school.

21

They are unprepared for work because they

22

lack skills. They cannot enter the community

23

college system because they are not prepared.

24

The young people that languish in the

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middle are faced with lack of resources, lack

2 of options, and lack of hope, which leads to
3 high rates of incarceration, reliance on
4 public assistance, and unemployment, costing
5 New York State approximately \$500,000 to
6 \$2 million over the lifetime of each high
7 school dropout.

8 In New York State communities where
9 they are located, YouthBuild programs are the
10 only comprehensive option available to young
11 people who are looking for a second chance.
12 Young people who want to work, young people
13 who want to finish school, and who want to be
14 self-sufficient.

15 Why YouthBuild? YouthBuild programs
16 have provided their services to more than
17 6,000 young people in New York State and
18 created more than 2,400 units of affordable
19 housing that are sold to low-income
20 homebuyers. Many of the houses are sold
21 between \$75 to \$90,000 to these low-income
22 homebuyers.

23 YouthBuild programs transform lives
24 while revitalizing the community. Young

♀

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1 people attending YouthBuild get hands-on
2 skills training, are re-engaged in education
3 as they prepare to take the High School
4 Equivalency, and many as they prepare to
5 pursue college. Additionally, they also give
6 back to their community, completing more than
7 900 hours of service building affordable

8 housing, weatherizing homes, refurbishing
9 parks for statewide disaster relief projects,
10 and providing much-needed senior care at
11 nonprofit nursing homes.

12 YouthBuild programs train students for
13 middle-skilled jobs. YouthBuild reviews the
14 New York State regional economies and
15 counsels young people to train and work in
16 high-demand jobs. With YouthBuild programs
17 located across the state from New York City
18 to Buffalo, we are already positioned to
19 address regional economic concerns related to
20 youth.

21 YouthBuild programs decrease the
22 impact of the NYS dropout rate. With a high
23 school equivalency completion rate of
24 52 percent, YouthBuild programs are narrowing

♀

82

1 the education attainment gap for out of
2 school young people.

3 YouthBuild programs are helping young
4 people become self-sustaining taxpayers,
5 productive citizens who are making positive
6 contributions to society.

7 The New York YouthBuild funding
8 picture. YouthBuild programs in New York
9 State have relied on federal funds available
10 competitively through the US Department of
11 Labor. Due to sharply increased demands
12 nationally for YouthBuild funding coupled
13 with the generally flat-lined federal

14 funding, it is likely that only a handful of
15 New York State YouthBuild programs will
16 receive USDOL YouthBuild funding in 2016. In
17 fact, in 2013 and 2014 only five of the
18 New York State-based YouthBuild programs
19 obtained federal YouthBuild grants, leaving
20 many in jeopardy of closing at the end of
21 2015.

22 The proposed YouthBuild budget add-on
23 will keep programs open and provide us the
24 opportunity to work toward a self-sustaining

♀

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1 plan as well as to begin looking at program
2 expansion into other communities with a need
3 for YouthBuild.

4 We are aware that numerous budget
5 requests are submitted for consideration, and
6 we realize that many of them are legitimate.
7 However, because YouthBuild was started in
8 New York State in 1978, we believe YouthBuild
9 is a New York State Best Practice and
10 something you will point to with pride,
11 knowing you are investing in a program with a
12 proven record and viability, as well as a
13 program that continues to demonstrate its
14 value in many communities across the state.

15 We are aware that the Governor
16 indicated he does not favor adding any new
17 programs to the budget, and that he will only
18 look favorably on programs that demonstrate a
19 movement in the direction of

20 self-sustainability. We want to assure the
21 Governor and you, the distinguished members
22 of the finance committees of the New York
23 State Legislature, that YouthBuild does not
24 intend to come back every year seeking funds

♀ 84

1 to add to the budget.

2 The proposed YouthBuild add-on for
3 2015-2016 will serve to stabilize YouthBuild
4 programs and provide us the opportunity to
5 implement our long-term self-sustaining
6 funding strategy. Our long-term strategy
7 includes but is not limited to:

8 Replicating the very successful
9 YouthBuild Charter Model that has worked in
10 California, Massachusetts, Ohio, and
11 Colorado. We have submitted a letter of
12 intent to pursue a statewide charter to serve
13 out of school young adults ages 16 to 24,
14 with the goal that each YouthBuild program in
15 New York State would be a satellite site;

16 Engaging local districts on a tuition
17 split model that would allow us to engage
18 chronically absent, disengaged young adults
19 in the YouthBuild model, thus recapturing
20 state aid and lowering the dropout rates
21 through several increased reenrollments;

22 An on-going statewide energy
23 efficiency training and social enterprise
24 system in which YouthBuild students are

♀

1 trained and then hired by local programs to
2 provide fee-for-service retrofit work in
3 their local communities. The current pilot
4 project for this initiative is in
5 Schenectady, New York, which is creating new
6 jobs in the community with this model and
7 generating income to partially support
8 program costs.

9 In our remaining few minutes, we would
10 like you to hear a story about Emanuel
11 McCall, a YouthBuild graduate from
12 Schenectady. Emanuel was going to be with us
13 today, but he couldn't get off from work.
14 Emanuel's story is similar to many of
15 New York State YouthBuild graduates who,
16 after completing YouthBuild, have
17 self-sustaining jobs, have earned master's
18 degrees, are owners of construction companies
19 and directors of YouthBuild programs in their
20 communities. They are productive and engaged
21 young adults who are contributing to society
22 in a positive way.

23 Jennifer is going to just give you a
24 brief overview and highlight of Emanuel's

♀

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1 story.

2 MS. LAWRENCE: Okay, 46 seconds. I
3 got it.

4 So to summarize, you know, Emanuel
5 came to us from Yonkers. Out of hope, out of

6 options. Really, he was released from jail,
7 moved here and really had every intention of
8 just selling drugs in a new community, had no
9 idea that there was another chance. All of
10 our young people feel this. They feel that
11 at 19 to 20 years old, there's no other
12 chance left.

13 So our first -- you know, the first
14 thing we have to do is realize and help them
15 realize that there's a new opportunity and
16 that we're not going to give up on them. So
17 when you dig deeper, you find out while young
18 people don't think they have a chance left,
19 they really want to work, and they want to
20 give back.

21 So while we offered Emanuel training,
22 we also offered him opportunity and love.

23 Thank you.

24 CHAIRMAN DeFRANCISCO: No, go ahead.

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1 MS. LAWRENCE: Oh, go? Oh, okay.

2 So we offered him training, but
3 training alone wouldn't work. We offered him
4 education, but education alone wouldn't work.
5 What we offered was a comprehensive model
6 where multiple opportunities could be
7 recognized.

8 And the other thing about our model is
9 we take a cohort of young people like
10 Emanuel, commit to them, and don't backfill.
11 So we commit to a group of young people's

12 success from beginning to end. And when he
13 realized there was a commitment, he then
14 began to not just survive but thrive.

15 And his favorite quote now, that I had
16 to read -- he would read it to you if he was
17 here -- "Seize the opportunity of a lifetime
18 and the lifetime of an opportunity."

19 And that he's done. And Bonnie told
20 you about all the things our students are
21 doing -- now he's working at Liberty
22 Partnership Program, going to community
23 college. He was appointed, actually, by the
24 Governor on the Juvenile Justice Committee.

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1 But that ripple effect is how our
2 communities benefit from YouthBuild, and
3 we're asking that you support our request so
4 that we can continue this program.

5 Thank you.

6 CHAIRMAN DeFRANCISCO: Great. He's
7 not only employed now, he's become a
8 philosopher. That's excellent.

9 (Laughter.)

10 CHAIRMAN DeFRANCISCO: That's amazing.

11 MS. LANDI: Many of them do that.

12 MS. LAWRENCE: Often.

13 CHAIRMAN DeFRANCISCO: Any questions?

14 Sounds great. Thank you for your
15 testimony.

16 MS. LANDI: Thank you for the
17 opportunity to speak.

18 CHAIRMAN DeFRANCISCO: And thank you
19 for hanging on all this time.

20 MS. LAWRENCE: Thank you.

21 CHAIRMAN DeFRANCISCO: Jessica
22 Wisneski, legislative director, Citizen
23 Action of New York.

24 And the next speaker, if you come down

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1 if you're not already, Adam Prizio, manager
2 of government affairs, Center for Disability
3 Rights.

4 And then the featured speaker, the
5 last speaker of all the hearings, is next
6 after that, Sandra Lennon.

7 MS. WISNESKI: I really need some
8 water.

9 CHAIRMAN DeFRANCISCO: Oh, there.
10 Look.

11 MS. WISNESKI: Thank you.

12 CHAIRMAN DeFRANCISCO: I understand.

13 MS. WISNESKI: Thank you so much. And
14 scratch the "good morning" if you have a copy
15 of my written testimony.

16 Good afternoon. My name is Jessica
17 Wisneski, I'm the legislative and campaigns
18 director of Citizen Action of New York. I'm
19 just a little -- insert to "breathe easy"
20 here -- it might be the first budget hearing
21 I'm not actually asking for money from the
22 state budget. What an exciting opportunity.

23 So I'm testifying on behalf of Citizen

24 Action and the Raise Up New York Campaign on

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1 raising up wages of the 3 million New Yorkers
2 with economy-boosting jobs, jobs that will
3 allow working people to meet the basics needs
4 to support their families.

5 Raising wages is one key step the
6 Legislature can take to write a budget that
7 works for all New Yorkers, not just the
8 wealthy and well-connected. Because it's
9 clear in our state, which boasts the greatest
10 inequality between the wealthiest and the
11 rest of us in the nation, that New York is
12 not working for all of us. Most of us are
13 working harder than ever just to get by.
14 Wages have been stuck in place for decades
15 now. There are still more than two
16 New Yorkers looking for work for every job
17 opening.

18 Young adults, even those with a
19 college degree, are having a tough time
20 finding work or are taking jobs that don't
21 utilize their education. How will they ever
22 pay their student loans?

23 We worry about how we will retire.
24 Corporations have taken away our pensions and

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1 left us with retirement accounts that go up
2 and down with Wall Street -- and that's for
3 those of us who actually have a retirement
4 account. Seniors are trying to make do on

5 fixed incomes, worrying about whether they'll
6 have enough to live with dignity through
7 their retirement and help their kids and
8 grandkids.

9 But times aren't tough for everyone.
10 The rich are not only getting way richer,
11 they are grabbing a bigger share of the
12 wealth that we all helped to create. It's
13 not like the economy didn't move forward in
14 the past 30 years. If corporations had
15 shared the nation's economic progress fairly
16 with their employees, the average family
17 would be taking home \$23,000 more a year.
18 The minimum wage would be more than \$18 an
19 hour.

20 But they didn't. Instead, powerful
21 corporations cut our wages and benefits.
22 They shipped jobs overseas. CEOs of big
23 corporations make an average of \$30 million a
24 year and bankroll lobbyists and candidates so

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1 that they can keep their tax rates lower than
2 their secretaries.

3 It does not have to be this way. You
4 can take actions in the state budget to make
5 a New York that works for all of us, starting
6 with the decision to create an economy that
7 works for all of us, not just the wealthy.

8 What powers our prosperity? Working
9 families and the middle class. We are the
10 engines of the economy. It's not the stock

11 market or corporate profits that make the
12 economy work for people. When we have good
13 jobs we can educate our kids, care for our
14 families, afford health care, shop in our own
15 neighborhoods and retire in security. We
16 move the economy forward.

17 The first decision is to make work
18 pay, with good jobs so we can support and
19 care for our families with dignity. New York
20 needs economy-boosting jobs, not
21 economy-busting jobs.

22 It is impossible to support a family
23 on New York's current minimum wage of \$8.75.
24 While the Governor's proposal to increase the

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1 minimum wage to \$10.50 statewide and \$11.50
2 for New York City is a step forward, it
3 remains far too low for a family-supporting
4 wage.

5 The Governor's proposal should be a
6 starting point. The Legislature should put
7 New York on a path to \$14.50 statewide and
8 \$15.50 in New York City by 2019, and then
9 adjust it to keep up with the cost of living.
10 The \$15.50 wage rate should also cover other
11 high-cost areas of the state, including
12 Nassau, Suffolk and Westchester Counties.
13 Every working parent in New York should get
14 paid enough to care for their kids and set
15 them off toward a great future.

16 From Niagara Falls to Hempstead and

17 every place in between, New York's working
18 families are paid too little to meet the
19 basics, struggling to put food on the table,
20 pay rent, and get to work. This is the daily
21 reality for millions of New Yorkers in the
22 state with the greatest concentration of
23 wealth in the nation. It must end.

24 Raising wages to \$14.50 and \$15.50

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1 will improve wages for more than 3 million
2 New Yorkers. That is 1 million more workers
3 who will get economy-boosting jobs to build
4 stronger communities than in the Governor's
5 proposal.

6 Who are the New Yorkers who will be
7 better able to care and support their
8 families with an increase in the minimum
9 wage? More than half are women. By raising
10 the minimum wage, we'll take a major step
11 toward lowering the gap between what men and
12 women get paid for the same work.

13 Half of New Yorkers who work for the
14 minimum wage are people of color. Raising
15 the minimum wage will help all New Yorkers,
16 including people of color, care and support
17 their families and build strong communities.

18 And the big-business lobby likes to
19 say that the minimum wage is for teenagers,
20 but 90 percent of New Yorkers who will get a
21 raise will be 20 or older. That means too
22 many young adults are stuck at low-wage jobs,

23 even after their teen years. Raising the
24 minimum wage will give young people in

♀ 95

1 New York a boost when they are just getting
2 started, leading to better earnings that will
3 boost our state's economy now and for years
4 to come.

5 They also like to tell us that raising
6 the minimum wage will hurt small businesses
7 and cost jobs. In fact, numerous studies --
8 based on real minimum-wage increases across
9 the country, not made-up economic models --
10 show that increases in the minimum wage will
11 not cause employers to eliminate jobs.
12 Instead, it will increase consumer demand,
13 which will create more jobs. Hard-working
14 New Yorkers will have a little more money to
15 spend at local businesses, and they'll
16 benefit. It's a win-win for everyone.

17 I'm going to skip what the Governor
18 said in 2013 and very similarly early this
19 year, because the rhetoric has really hit the
20 mark this year. I think everybody
21 understands that we need to take action on
22 this, it's really a question of how much.

23 And New Yorkers certainly agree with
24 what we've been hearing, certainly from the

♀ 96

1 state capital here in Albany. A national
2 poll taken last month had three out of four

3 of those polled in the Northeast supporting a
4 raise of the minimum wage to \$15 over five
5 years, which is similar to what we're
6 suggesting.

7 Why? Because it makes sense. Who can
8 get excited about an \$11-an-hour minimum
9 wage? At \$15 you can begin to imagine it
10 would enable you to meet basic needs, to care
11 for your family. At \$15 it will boost the
12 prospects for many more working families.

13 So let's get it done. It's time to
14 replace economy-busting jobs with
15 economy-boosting jobs. Every New York
16 working family should be able to care and
17 support their families, to build a better
18 future for their children. Every working
19 parent should get paid enough to care for
20 their kids and set them off on a good future.

21 This is your fight, and the time is
22 certainly now. Join with workers and your
23 constituents and fight for \$15 an hour in the
24 2015 budget before April 1st.

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1 I just wanted to say it's hard for me,
2 in conclusion, to understand how this
3 couldn't happen. How could this not happen?
4 With no cost to the state budget and simply
5 making corporations of mostly low-wage
6 workers or those corporations who have
7 exceedingly high profits -- and so this is a
8 very clear decision that you all get to make,

9 to bring 3 million New Yorkers out of
10 poverty, the people who live in your
11 districts. And I hope that all of you will
12 fight for them.

13 Thank you.

14 CHAIRMAN DeFRANCISCO: Questions?

15 Thank you very much. I appreciate
16 your energy. I don't necessarily agree with
17 your logic, but I definitely understand --

18 SENATOR KRUEGER: Some of us agree
19 with you.

20 MS. WISNESKI: Thank you. And I also
21 have like a bazillion research reports that
22 back up the numbers if you want them.

23 CHAIRMAN DeFRANCISCO: Okay. Thank
24 you.

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1 Is Sandra Lennon here? Adam Prizio
2 can come up now, but is Sandra Lennon here?
3 That's what I thought. I didn't see anyone.

4 As a result, Adam, you are the last
5 speaker of all the speakers over 13 days of
6 testimony. And you should feel honored for
7 that, because we saved the best for last.

8 CHAIRMAN FARRELL: And you're going
9 for the record for speed.

10 CHAIRMAN DeFRANCISCO: Center for
11 Disability Rights, Adam Prizio, manager of
12 government affairs.

13 MR. PRIZIO: Thank you, Senator
14 DeFrancisco.

15 CHAIRMAN FARRELL: It's your third

16 hearing. This'll be your third one?

17 MR. PRIZIO: That's right.

18 CHAIRMAN DeFRANCISCO: Yup. So you
19 get five minutes, then.

20 MR. PRIZIO: I'll be very quick. You
21 already have my written remarks, so I'm not
22 going to go through those, but I'm going to
23 speak about a few things.

24 Thank you, first of all, Senator

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1 DeFrancisco, Assemblymember Farrell, and the
2 rest of the committee for this opportunity to
3 speak.

4 I want to talk about living wages for
5 consumer-directed personal attendants. The
6 Consumer-Directed Personal Attendant Program
7 is a program that allows people with
8 disabilities to live in our communities, in
9 homes, in apartment buildings, to work, to
10 own homes, to live integrated lives. The way
11 it works is that the attendant is employed by
12 and directed by the consumer, the person with
13 the disability, which is why we call it
14 consumer-directed personal attendant.

15 This is an amazing program that is a
16 great success and a great enabler of civil
17 rights of people with disabilities, a great
18 enabler of people with disabilities to live
19 in our communities, as opposed to being
20 forced to be in institutions at great expense

21 to the state.

22 Wages for consumer-directed personal
23 attendants have been stagnant for years, and
24 that's both in Medicaid fee-for-service and

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1 in managed care as it's rolling out. Wages
2 for attendants in this particular program are
3 not included in the living-wage provisions of
4 other personal attendant and home health aide
5 workers.

6 So both at fee-for-service and at
7 managed care, there isn't the reimbursement
8 for this important program that there is in
9 other places, and the result is that personal
10 attendants are leaving the field.

11 Consumers are having a hard time
12 hiring attendants in, which means that when
13 there's a shortfall in service, when you
14 can't hire somebody to perform these
15 activities of daily living for you, you are
16 at risk of being reinstitutionalized at a
17 cost to the state.

18 So there's been a lot of great talk
19 about raising the minimum wage. And along
20 with raising the minimum wage, the wages for
21 workers in this program have got to be
22 increased. Because at some point the minimum
23 wage will exceed the reimbursable wage, or it
24 will meet the reimbursable wage and then it's

♀ 101

1 going to be hard to hire somebody to do this

2 difficult, time-consuming work when they
3 could make the same wage working at a
4 bookstore or a McDonald's -- I don't even
5 know if they have bookstores anymore.

6 CHAIRMAN FARRELL: They do.

7 MR. PRIZIO: That's reassuring.

8 So I want to encourage you to -- there
9 are sign-on letters on both the Assembly and
10 Senate side defining a living wage for
11 personal attendants in the consumer-directed
12 program, and I encourage you to look at those
13 and to give your support to this vital
14 program.

15 The second thing I want to speak about
16 is the subminimum wage, which is a program
17 authorized by Section 14C of the Fair Labor
18 Standards Act, the federal wage law. What a
19 subminimum wage is is a certified sheltered
20 workshop -- and there are certified sheltered
21 workshops here in New York -- is allowed to
22 pay people with disabilities less than the
23 minimum wage on the basis of an arbitrary
24 assessment of their productivity relative to

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1 someone's idea of what a non-disabled person
2 would be able to do during that -- how they
3 would be able to perform that task.

4 It's a form of discrimination that has
5 existed since the '30s, since the beginning
6 of the Fair Labor Standards Act. It keeps
7 people, even people with disabilities who

8 work, it keeps us in poverty. It keeps us in
9 segregated places that are only -- that only
10 have people with disabilities, as opposed to
11 integrated, competitive employment that
12 enables us to have a job like anybody else.

13 So we encourage you to end this
14 practice, even though it's allowed by federal
15 law. As you know, the states are allowed to
16 set higher minimum wages than the federal law
17 will allow, so we encourage you to end the
18 practice of subminimum wages and sheltered
19 workshops for people with disabilities in
20 New York.

21 Finally, and I'm wrapping up here, the
22 Governor's budget includes a number of
23 provisions about employment -- generally,
24 some tax incentives expanding the minority

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1 and women-owned businesses in state
2 contracting -- and we ask you to include
3 people with disabilities in these incentives
4 for hiring, for recruiting, for promoting and
5 retaining, particularly in the state
6 contracting.

7 I'd like you to support including
8 people with disabilities -- a
9 discriminated-against, protected class with
10 low economic prospects -- in the definition
11 of minority and women-owned businesses, and
12 to require state contractors to take
13 affirmative steps to recruit, hire, promote,

14 and retain people with disabilities.

15 Thank you very much for your time.

16 I'm happy to answer any questions.

17 CHAIRMAN FARRELL: Is the sun still
18 shining?

19 (Laughter.)

20 MR. PRIZIO: It was when I came in.

21 CHAIRMAN FARRELL: Thank you.

22 CHAIRMAN DeFRANCISCO: Thank you very
23 much, I appreciate your testimony.

24 And that concludes the final hearing

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1 of the 2015 budget hearings. And I'm
2 speaking slowly now, because I'm hesitating
3 leaving. I've been here so long that I'm
4 beginning to like it here.

5 (Laughter.)

6 CHAIRMAN FARRELL: Uh-oh. Uh-oh.

7 CHAIRMAN DeFRANCISCO: So it's --
8 it's time to leave. And lastly, I want to
9 thank the stenographers --

10 CHAIRMAN FARRELL: Yes.

11 CHAIRMAN DeFRANCISCO: -- who took
12 down every word that we just had to listen
13 to. And we need a round of applause for
14 them.

15 (Applause.)

16 CHAIRMAN DeFRANCISCO: The meeting is
17 adjourned.

18 (Whereupon, the budget hearing concluded
19 at 4:16 p.m.)

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