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Testimony on the FY 2021-22 Executive Budget Proposal

Workforce Development

Presented Before:
New York State Senate Finance Committee
Chair, Senator Liz Krueger

&

New York State Assembly Ways and Means Committee
Chair, Assemblywoman Helene Weinstein

February 2, 2021
Albany, NY

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Chairs Krueger, Weinstein, and members of the Senate and Assembly, thank you for the opportunity to testify today on Governor Cuomo's FY2021-22 Executive Budget proposal.

CSEA proudly represents 300,000 active and retired members from both the public and private sector across New York state. CSEA members are the essential workers who have shown up to work throughout this crisis to provide the services that New Yorkers depend on.

As the COVID pandemic forced many New Yorkers to stay home and socially distance, CSEA members continued to show up to work to provide direct care, keep us safe, clean and maintain our public buildings and critical infrastructure, transport our kids to school, help people in need, care for children, and provide a thousand other public services that often go unnoticed. Their unheralded efforts have been even more critical during this crisis, as they have continued to provide the essential services that New Yorkers depend on.

Many of these services are now at risk because of the economic hardships brought by the virus and efforts to control it.

The economic damage done by COVID is unlike anything we have seen in a generation. Undoubtedly, 2020 was the worst year for economic growth in the United States since 1946. Hundreds of thousands of Americans are out of work, thousands of businesses are temporarily or permanently shuttered, and uncertainty abounds.

The pandemic hit New York harder than any state. CSEA members and other essential workers have gone above and beyond in helping to combat this crisis.

Now we need Washington to step up to the plate and provide the funding desperately needed to fill gaps in our state budget. I assure you that CSEA will do our part to push for this funding. However, this budget needs to recognize that the services CSEA members provide are the ones most needed by New Yorkers during these difficult times. We cannot afford the loss of these critical services as we recover from this pandemic.

State Workforce

The Coronavirus pandemic has taken a heavy toll on the State Workforce. The State's hiring freeze has reduced the workforce by 6,000 employees, with a reduction of 800 employees next fiscal year. Combined with years of flat budgets, agencies have barebones staff and are experiencing extreme levels of overtime. The State workforce simply cannot bear the loss of any additional workers putting services at risk.

CSEA members have done everything asked of them throughout this crisis and have contributed more than their fair share towards righting the ship of state.

While there are new proposals contained within the Executive Budget, the State must first ensure that funding is provided for fundamental public services and the workers that provide them.

Closures and Service Reductions

The Executive Budget proposes the closure or potential closure of a number of State operated facilities across multiple state agencies.

For those depending on services, workers at the facility, and the host community, the closure of a facility always has an outsized impact. This impact will only be amplified in our current environment.

Regardless of whether they are providing direct care, public protection, or keeping the facilities clean, state employees across all these agencies have shown up to work throughout the pandemic. While we constantly hear about how these workers are heroes (and they are), it is easy to praise their dedication in words. But taking away their livelihood in the middle of this crisis would prove that praise to be empty talk.

Frankly, stress is already running high during the coronavirus pandemic. Thousands of New Yorkers remain out of work, businesses are struggling to survive, and local governments have seen significant drops in tax revenue.

New York cannot afford the closure of these facilities to result in the uprooting of more families, the loss of more jobs, and the loss of more economic activity.

Office of Mental Health (OMH)

The Executive Budget proposes to close Rockland Children's Psychiatric Center and allow for other significant reductions in service, including the elimination of 200 State-operated inpatient beds and an additional 100 State Operated Community Residences (SOCR) beds.

These proposals continue the State's years-long effort to decrease capacity and bring down State-operated mental health services, regardless of need. Since 2014, OMH has eliminated 30% of children's beds and 20% of adult inpatient beds across the entire system. Despite prior claims that the agency was already operating with as few beds as possible, the State continues to come back year after year with more proposed bed reductions.

OMH claims that vacant beds at Rockland Children's justify its closure, but a short look back in time proves this claim to be false. Over the past several years, the facility was operating at or near capacity. It wasn't until the pandemic hit that the numbers began to shrink. Like many services, such as preventative health care and cancer treatment, many New Yorkers decided to bypass needed care within the mental health system rather than risk contracting COVID-19. This is especially true for youths, who have suffered severe mental health issues due to the isolation and canceled events that they have had to deal with over the past year.

The decrease in admissions is true not just at Rockland Children's Psychiatric Center but at youth facilities throughout the system. In January 2020, youth facilities admitted 169 children for inpatient services, with several, including Rockland Children's, at or near 100% capacity. Not surprisingly, by April, when New York was in a state of lock down, the number of admissions decreased by one-third. While admissions have since increased, they are still far below where they were in January 2020. This appears to be attributable not to a lack of need for services but rather an effort by the state to limit the number of people living in congregate settings. However, basing a permanent closure and downsizing of mental health services on a temporary decline in admissions and utilization is shortsighted and wrong.

This closure would be an abandonment of care for youth in the Hudson Valley. For years, Rockland County provided its own psychiatric services to children. In 2010, the county closed its facility and transferred the responsibility of providing these services to OMH with the understanding that inpatient children's beds would remain in Rockland County. The closure of Rockland Children's Psychiatric Center would now leave the lower Hudson Valley with no access to public inpatient youth services. If this facility is closed, there will be no State-operated psychiatric inpatient services for youth from the Bronx to Utica. This is unacceptable.

Just one year ago, the Commissioner testified that the agency couldn't afford to lose more capacity in the system. Yet, here we are once again. The OMH budget makes it clear that the state wants out of the business of providing mental health services. The budget proposes to privatize and outsource State services. Furthermore, since the budget includes no reinvestment in community services when a state bed is brought down, the budget outright eliminates services in some cases.

OMH claims that the beds they are eliminating are vacant. Even if this is true, to make this judgment based on occupancy rates during COIVD is irresponsible and premature. In addition, OMH has provided no information about where the 100 SOCR beds will be brought down and the impact that would have on services.

CSEA has always been willing to work in partnership with the agency to address issues, but right now this relationship is a one-way street.

The legislature must look at the current process in place for reducing OMH services and demand transparent and honest information from OMH. Only with adequate information can informed decisions be made that impact the lives of children and adults in need, the workforce, and communities.

Office of Children and Family Services (OCFS)

The Executive Budget proposes the closure of four youth detention facilities operated by OCFS. The four facilities – Brentwood Residential (Suffolk County), Red Hook Residential Center (Dutchess County), Columbia Girls Secure (Columbia County), and Goshen Secure (Orange County) - would be closed on October 1.

To make matters worse, the budget would bypass the legally-required one-year notice before closing these facilities. This notice is intended to provide all parties – youths, workers, and host communities – enough time to plan for the loss of the facility. Removing this requirement and closing facilities on short notice disrespects the needs of all parties.

While CSEA recognizes that some of these facilities may be operating below capacity, the closure of some of these facilities would bring down the only services for large areas of the state. The closure of Brentwood would leave Long Island without any OCFS facilities, while Goshen is more than an hour away from the nearest facility. Columbia Girls Secure is the only secure facility for girls in the entire state. It is unclear where the youths currently at the facility will be placed, and whether they will remain in a unit dedicated to females or will be incorporated into the male population at another facility. Ensuring that the youths in these facilities are properly placed is of critical importance.

These closures would not only make things harder on the parents of children in impacted facilities, but could also cause many issues with the OCFS workforce. While the Executive assures that employees in affected facilities will be offered reassignments, there is no telling where the reassignments are, how far away they are and if that is a true offer of re-employment Asking an employee to commute an hour and a half each way isn’t a reassignment. In reality, it is a layoff.

To further complicate matters, the impact on employees wouldn’t be limited to the facilities slated for closure. Since many OCFS facilities are in the same layoff unit, more senior employees from impacted facilities could displace employees in other facilities upon reassignment.

With state agencies already operating with barebones staff, we cannot allow OCFS employees to be laid off. Facilities close to some of those slated for closure have clear staff needs, and it must be ensured that impacted employees have the opportunity to be reassigned in those cases without negative impact on the workers currently at those facilities. Any loss of employment from these closures would only further exasperate the employment situation in this time of crisis.

Department of Corrections and Community Supervision (DOCCS)

The budget calls for the closure of an unspecified number of State prisons with only 90-days’ notice and provides this authority for the next two State Fiscal Years.

This proposal comes on the heels of a December 2020 announcement that the Gowanda and Watertown correctional facilities, and the Clinton Annex at Clinton Correctional Facility will be closed on March 30, 2021.

The legislature should not grant the Governor unfettered authority to close additional correctional facilities in any part of the state without one-year notice and a true assessment of future needs. Closing facilities without proper notice makes it harder for employees to be properly relocated, harder to plan the proper movement of inmates, and impossible for local officials to begin planning for the reuse of the correctional facility or find ways to mitigate the local economic impact that closing a facility and relocating employees may have.

In addition, closing correctional facilities during the COVID-19 pandemic, and placing more inmates in closer proximity to one another, is an ill-advised public health strategy. We have seen numerous examples in New York and outside of the state that show how fast COVID-19 can spread in congregate living situations, especially prisons. Consolidating prisoners into less space will only create the potential for new super spreader facilities, placing the health and wellbeing of both inmates and correctional staff at risk.

Retirees

The Executive Budget once again recycles proposals from prior years that would increase the cost of health insurance for retirees.

First, the Budget proposes to create a Tier 2 health insurance contribution for any person hired by the state on or after October 1, 2021. Secondly, the Budget would cap the reimbursement for Medicare Part B premiums for public employees or retirees enrolled in the New York State Health Insurance Plan (NYSHIP) at $148.50. Lastly, the Budget would eliminate the reimbursement to NYSHIP retirees for the Income Related Monthly Adjustments Amounts (IRMAA) supplemental premium effective for premiums incurred on or after January 1, 2021.

Even in good years, these proposals are misguided. During a time of crisis and uncertainty, especially for older New Yorkers, these proposals are downright offensive. No matter where they worked, New Yorkers deserve dignity and respect in retirement. The economic impact that public sector retirees have on New York’s economy has been well documented. Nearly 80% of these retirees remain in New York and contribute upwards of $12 billion to the economy. By increasing their out-of-pocket expenses, these proposals would make it harder for retirees to remain in New York.

Considering New York’s accelerating outmigration problem, we should not be making it harder for retirees to stay in New York as we try to recover from this pandemic.

Local Governments

The Executive Budget continues yet another unfortunate recent trend of leaving local governments more and more to fend for themselves.

The budget proposes to reduce State aid to local governments in two main ways.

First, the budget proposes to eliminate state Aid and Incentives for Municipalities (AIM) payments to all towns and villages, while reducing payments to cities by between 2.5% and 20% depending on the city's dependence on AIM funding.

Prior to 2019-20, AIM funding had been held flat since 2011-12. This meant that State support for local governments was falling behind inflation. Then, in 2019, AIM was eliminated for 90% of towns and villages, reducing State support for municipalities by $59 million. These cuts in state support were supposed to be filled by the state intercepting county shares of sales tax revenue in the amount previously provided by AIM, thereby robbing Peter to pay Paul.

This year's proposal would eliminate AIM from the remaining towns and villages, and again require the counties to make up for the difference. To justify this cost shift, the amount due to **all towns and villages** receiving these "AIM-related payments" is cut by 20%.

This proposal would result in the loss of $13.5 million to towns and villages and $34.6 million to cities.

Counties would save $5 million in reduced payments because while they would be responsible for sharing sales tax revenue with more municipalities, all payments would be cut by 20%. However, even this isn't a net positive considering sales tax collections were nearly $2 billion lower in 2020 than the year before.

Second, the budget proposes to eliminate Video Lottery Terminal (VLT) aid to the fifteen municipalities outside of the City of Yonkers that receive such aid. Yonkers would see a 5% cut to its aid. This proposal would cut another $10.3 million in aid to local governments.

While the dollar figures of these proposals may seem small in the context of a $190 billion budget, every dollar matters to these municipalities.

Whether taking care of our roads, collecting garbage, or providing social services, local governments are often the frontline service providers in a community. Every level of government has seen increased costs from COVID, and every level of government is trying to cope with those costs.

However, local governments are limited in their ability to raise revenues. While often referred to as a two percent property tax cap, in reality the cap is much lower. In 2021, most municipalities are faced with a property tax cap of only 1.56%.

Through these proposals, the State is passing the pain of COVID down to local governments. However, it is likely that this pullback of state support won't end once we have recovered from COVID. Two years after the first AIM cut, here we are looking at the full elimination for towns and villages. Undoubtedly, if these cuts are allowed to move forward we will be back here in two years testifying against the total elimination of AIM to cities.

If local governments aren't kept whole, services and jobs will be eliminated. Public employees are also taxpayers, consumers, and supporters of local businesses. Forcing local governments into a position where they have to lay off employees will only further delay our state's recovery.

Revenues

The last thing that New Yorkers can afford as we work our way out of the pandemic and its aftermath is the loss of more services and jobs. For that reason, CSEA is supportive of measures to increase State and local revenue collections. This includes the increased surcharge on high-income earners, the ability for local governments to continue raising taxes without biannual state approval, increased revenues from legalizing recreational marijuana, and legalizing mobile sports betting. While the details of some proposals still need to be worked out, it is vitally important that we don't take an austerity approach to this recession.

Child Care

CSEA represents more than 10,000 registered, licensed group, and legally exempt family childcare providers in 57 counties outside New York City. Family childcare is the most flexible and affordable childcare option for working families. It is often the best and sometimes the only option for parents needing non-traditional hours and flexible care to work jobs with late night or irregular hours.

Finding licensed, safe, and quality care programs has become increasingly more difficult in our state. Over 60% of New Yorkers live in a childcare desert – meaning there are more than 50 children under the age of 5 that have no childcare providers or so few options that there are three times as many children as licensed childcare slots.

Having adequate childcare will be a determining factor as to how quick New York is able to begin rebuilding economically. We know that childcare helps drive economic development and helps people move out of poverty. It is even more critical now, as New Yorkers begin to return to worksites over the coming months, that they have access to quality and licensed providers.

CSEA appreciates the Governor's proposal to limit childcare co-pays for parents that receive a public subsidy to no more than 20% of their income, but we support a more comprehensive approach that will further limit these co-pays to no more than 10% of a parent's income, phased in over a five-year period. A single co-pay cap statewide will help make childcare more affordable for working parents. Many parents stop working because they simply cannot afford to put 30 or 40% of their income to childcare.

In addition, we are supportive of the Governor's proposal for new funds to help support new and existing providers in childcare deserts. During the pandemic we have seen many providers close their doors due to lack of kids. This is especially true in childcare deserts, where many areas lost the only provider that they may have had. We need to support both existing and new providers and give them the resources that they need to open their doors and be ready for parents when New York's economic recovery begins.

Lastly, CSEA supports a proposal for the creation of a statewide standard that requires counties to pay for up to 12 absences per subsidized child per quarter per year. Currently, county plans have no consistency for paying a provider when a child is absent. The lack of uniformity has become stark during the COVID-19 pandemic, where children may be absent for 10 days due to a quarantine order. During this time, many providers are not paid at all for this child, and due to the short-term nature of the absence, are not able to suddenly fill a child's slot for this time period. This results in a real loss of income, financial instability, and makes it harder for them to keep their doors open.

CSEA asks that the Governor and Legislature prioritize childcare funding in the state budget. If we fail to make adequate investments now, we know that the economic recovery will not be as robust as it could otherwise be for all New Yorkers.

Additional Issues

Transportation Workers

CSEA supports proposals (contained in Part B of S.2508 / A.3008) to enhance protections for transportation workers. Something must be done – now – to better protect these workers.

Whether they be highway workers in work zones or Department of Motor Vehicle employees interacting with the public, no worker should have to fear for their safety while on the job.

These proposals are all positive steps that would show that the State is taking seriously the risks faced by transportation workers.

However, all these proposals are reactionary. What we really need is a pro-active effort to better protect workers before another tragedy strikes. For this reason, CSEA urges the legislature to include a work zone speed camera program in the budget to make our roads safer for workers and drivers alike.

For more information, please see the testimony CSEA submitted to the January 26, 2021 budget hearing on Transportation.

Virtual Arraignments

The budget proposes to permit virtual arraignments statewide. Currently, only certain counties have this authority independent of the COVID pandemic. In addition, virtual appearances are permitted for hearings on felony complaints until April 30 of this year in response to the COVID pandemic.

CSEA understands the need for these expanded provisions in response to COVID, but we have concerns about their broad expansion beyond the pandemic. Any expansion of these provisions should be limited to the duration of the pandemic, and their impact on the workforce in our courts should be examined.

Education / Higher Education / Libraries

CSEA is concerned with the proposed cuts to the State University of New York (SUNY) and SUNY community colleges. These campuses play a critical role in developing the workforce of tomorrow and need to be properly funded.

CSEA also opposes proposed cuts in Library Aid. Libraries provide many essential services beyond just lending materials. For many seniors, the only access they have to the internet may be at their local library. At a time when many COVID resources, including signing up to receive a vaccine, are electronic, we cannot reduce support to these facilities.

CSEA is happy to see that the budget ensures that school districts will be able to receive Transportation Aid for certain services provided when physical school buildings were closed during the first spike in the pandemic during Spring 2020. However, the proposed cuts to services aid and limitations of this proposal leave room for improvement.

Conclusion

Thank you again for the opportunity to testify here today. This is undoubtedly a tough budget year, but we must work together to ensure that whatever resources we have at the end of the day are used in the right way. CSEA stands ready and willing to work with you to make this happen.