

**Testimony of  
Susan M. Kent  
President**

**The New York State Public Employees  
Federation**

**To The  
Assembly Ways and Means and  
Senate Finance Committees**

**Workforce Hearing  
February 11, 2014**

Mr. Chairman, committee members, distinguished guests. Thank you for allowing me the opportunity to speak to you on behalf of civil servants who provide vital services to all New Yorkers.

I am Susan Kent, President of the New York State Public Employees Federation. Our 54,000-member strong union is made up of professional, scientific and technical state workers - highly educated experts in their fields.

We take a great deal of pride in the work that our members do, because we know they are the most qualified for their positions.

Our members' work isn't the same as that of expensive private contractors, who too often turn the real job of providing services over to the inexperienced, the under qualified, and the underpaid.

Let me highlight several points that stand out in this budget that dilute critical public services to New Yorkers -- your constituents -- and harm public servants and which are exacerbated by the executive's proposed budget setting an arbitrary two percent state spending cap.

As our friends at the Fiscal Policy Institute have said -- and I quote -- the "Governor is turning government away from its role in expanding opportunities and investing in people, communities and infrastructure ...

"The needed resources are there for State government to give a leg up to the poor and the unemployed and their communities ... but not if the governor holds spending to less than the rate of inflation and goes through with his huge tax cuts."

We believe that the top priority of this administration should be the most vulnerable of New Yorkers. Not the wealthiest and the healthiest.

Again, this year, we see a budget that focuses its benefit on those who need it the least.

Again, this budget uses a catch phrase ... this time it seems to be "restructuring" government. Last year it was "reimaging" government ... as a way to describe privatization and the dismantling of Civil Service.

We know that privatization is not a solution to our problems. It only creates more problems, especially inequality.

As we know, New York is a world class leader in inequality, and it is apparent from this Budget that the Governor intends to keep it that way.

We have a lot of concerns about what is happening to the services that our agencies provide to our most vulnerable.

Those who aren't in the top 1% ... but at the bottom of the economic ladder.

Today, I would like to focus on some of the problems that this budget is having on public employees, the agencies that employ them, and the risk factors to the general public.

### **SUNY Hospitals Again Under Fire**

Inequality brings me to our first specific concern: How this budget continues to bleed our teaching hospitals and hurt the residents who are most in need of health care.

As the Senate's own analysis shows, the Executive Budget eliminates the \$27 million SUNY Hospital subsidy that the legislature added last year.

In total, support to the teaching hospitals would shrink nearly \$20 million dollars this year, in a continued effort to force the privatization of public hospitals in Brooklyn and elsewhere.

SUNY hospitals are hallmarks of excellence and provide vital medical education, research and essential health care services to their communities. For example, the SUNY hospitals provide a wide variety of services, including a number of specialty care services such as burn units, trauma care units, and stroke centers.

As you know, our public hospitals have been losing State support since at least fiscal year 2007-08. They can't continue to take cuts without dying a death of 1,000 cuts.

State university hospitals and the important health care services they provide will no longer exist without state support close to the levels of 2007-08.

Private hospitals are not an answer. We need hospitals that focus on patients -- not profits.

Burn units and public health clinics are not profit makers, but they are necessary services.

SUNY Downstate serves more than a quarter million patients a year and has 75 community outreach programs. SUNY Downstate accepts all patients, regardless of their ability to pay.

We can't allow this treasure and the other SUNY hospitals to be put at risk. We believe there's a better way. We call it the "Brooklyn Hospitals Safety Net Plan."

The Brooklyn Hospitals Safety Net Plan includes the 15 public and private hospitals in Brooklyn. This plan creates a health care safety net to improve services for the under-insured, uninsured and the underserved.

Additionally, it will create jobs in ambulatory care settings to move Brooklyn health care services to the forefront by bringing health care services to the community away from costly inpatient hospitalization.

This plan is supported by doctors, health-care professionals, community leaders and activists, along with the union employees working and living in Brooklyn.

We need to implement this plan while we maintain the SUNY Downstate medical education system.

On behalf of PEF, I would ask the legislature to look at legislation based on the recommendations from Organized Labor's plan to stop the Governor's attempt to dismantle SUNY safety net hospitals. I ask the Legislature to stand with us in ensuring that the Brooklyn Safety Net Plan that is supported by doctors, health-care professionals, community leaders, and organized labor is adopted.

### **Privatizing Mental Health Care**

As did last year's Budget, this year's continues the Executive's efforts to privatize services provided by the second agency we want to highlight: The Office of Mental Health.(OMH)

But the Budget artfully dodges the truth by referring to privatizing efforts as "restructuring State-operated services." The restructure will result in the reduction of state run psychiatric hospitals from 24 to 15 during the next three years.

This restructuring will take the form of the creation of so-called "Regional Centers for Excellence." It is a shell game that closes inpatient care and outsources the State services to private groups.

Over the course of the next three years, the state plans to redesign the public mental health system into 15 Regional Centers of Excellence (RCEs) including three forensic regional centers of excellence and two research centers of excellence. According to the state's plan, RCE's will be regionally based networks of inpatient and community-based services, each with a specialized inpatient hospital program located at its center with geographically dispersed community service hubs overseeing state-operated community-based services throughout the region. RCE's will be established in the following five regions: Western New York, Central New York, Hudson River, New York City, and Long Island.

According to the budget, \$110,000 will be invested to expand community services for every inpatient bed that is closed. The fact is that we need more in-patient psychiatric center beds, not fewer. As is indicated in the budget, the state has made it clear that its priority is to provide less inpatient services and community-based services.

As you can imagine, patients and their families will suffer geographic hardships when community facilities are closed. This is particularly significant when you take into account that approximately 57 percent of the children under the age of 18 in need of services live in New York City and Long Island.

The loss of psychiatric hospital beds has been shown to result in the use of local hospitals and emergency rooms for mental health care ... taking up valuable emergency room beds and causing lengthy waiting time for medical emergency cases.

Plus, further closures will only increase the number of mentally ill in our prisons and jails.

Federal statistics show that the number of mentally ill inmates in US jails and prisons has skyrocketed since 2000. More Americans receive mental health treatment in prisons and jails than in hospitals or treatment centers.

As we have pointed out to you in the past, Rikers Island Jail in New York City is one of the largest inpatient psychiatric facilities in the country.

So, what is exactly saved if the beds closed at OMH are filled in emergency rooms or in jails or prisons? Nothing is gained. It is just another budgetary shell game.

We believe that the State should expand best practices for community-based services that already exist within the Office of Mental Health.

We believe that the State should build the infrastructure needed for community-based services that ensure individuals' success in the community before it closes more in-patient beds.

### **More Privatization at OPWDD**

Third ... the governor's proposed budget opens the door to further privatization of services provided by the Office of People with Developmental Disabilities (OPWDD).

This year's budget expects a reduction of 720 FTEs at OPWDD during the 2014-15 fiscal year. While the decrease in FTEs will occur primarily through attrition, it reflects the Executive's plan to move ahead with privatization of direct services.

This continues to drive more inequality by putting our tax dollars in the hands of highly paid executives of private providers.

So, instead of using highly skilled Civil Servants who make decent middle class livings, this Governor prefers to use our public money to support executives who work on the cheap, using under-paid and under-qualified staff with a high turnover rate.

More than 28,000 OPWDD consumers have unmet needs. I have witnessed the stress and anxiety that my members have experienced due to the closures of OPWDD, Monroe and Taconic DDSO's. They know those closures will hurt consumers by transferring their care and supervision to private contractor facilities, which are unable to handle the needs of these consumers.

And many of those consumers have serious psychiatric and criminal behaviors. A news report from Rochester this week uncovered evidence that the state is moving convicted sexual predators

from institutions into neighborhoods. Those sex offenders had previously been at the Monroe Developmental Center in Brighton until the state closed it. This is exactly what we were worried about and issued warnings about even though Governor Cuomo said it would never happen. The Governor said those deemed dangerous would not be moved into areas where they could harm themselves or others. And the news report indicated people living in the neighborhood had not received any formal notification of the people moving into their neighborhood.

On top of this, Governor Cuomo is again trying to take away the power of the Legislature by announcing his plan to close OD Heck, Brooklyn Developmental Center, the Bernard Fineson-Queens campus and Broome Developmental Center.

Although OPWDD management claims the closures would result in more community-based services, we believe it will allow the State to relinquish its responsibility to provide the best care for those with the greatest need.

Once duties are outsourced, the State can more easily evade accountability and reduce resources. This is a real disservice to the residents of this State.

As a union, we are concerned about the 4,000 middle class PEF jobs that would be replaced with underpaid, under-skilled private workers.

As representatives of the residents of the State, I would hope you would be concerned about efforts to undermine the Civil Service Merit System, instituted to ensure that your constituents get the best services from qualified professionals for their tax dollars.

On behalf of PEF, I ask the legislature to advocate for their disabled constituents and fight for the inclusion of language in the waiver the Governor has submitted to the federal government for approval that would allow the assessment and oversight regarding clinical treatment to remain with unionized, qualified, Civil Service employees.

The Governor's philosophy of privatizing state services under the guise of cost-savings to the tax payers and creating a more efficient governmental system has been a failure. Two examples that come to mind and highlight this failure are the: Close to Home juvenile justice initiative begun on September 1, 2012; and the continued hiring of private contractors at the State Office of Information Technology (OITS).

On September 1, 2012, Phase I of the Close to Home initiative was begun. Under this program, young offenders from the New York City metropolitan area are to be transferred from non-secure state Office of Children and Family Services (OCFS) facilities to non-secure community-based programs around New York City neighborhoods. Ironically, this process has continued despite criticism and reports of violence, even death.

Many offenders in the program were moved from upstate facilities to the city with the hope they would be supported by family or relatives. But that is not happening. Instead, they are going absent without official leave (AWOL).

On June 23, 2013, a 17 year old youth named Andrew Benitez went AWOL from a Staten Island residence and was arrested and charged with the stabbing death of 18 year old Aaron Jefferson in Jamaica, Queens.

The death followed a scathing report published in the New York Daily News that unveiled statistics which were confirmed by New York City's Administration for Children's Services (ACS) which leads the Close to Home initiative.

The story said 198 defendants generated 422 AWOL warrants between September 2012 and March 2013. Eight of the missing youths were arrested for new crimes.

One transferred young offender, who was placed in a Rockaway Park residence for boys, was arrested within three days for participating in five robberies. He ended up in Rikers Island.

Queens Family Court Judge John Hunt called the initiative "a threat to public safety" after court documents exposed repeated failures in security measures by ACS.

In July, 2013, ACS Commissioner Ronald Richter said the agency cancelled contracts with two group homes that had the worst records. ACS also reported 14 percent of its charges are still absconding during the course of an average month. This is occurring despite ACS putting locks on doors of what are officially considered non-secure facilities.

As we have stated publicly over and over again, this was a plan that had not been thought out, but our warnings were ignored. We now know for sure, and so does Governor Cuomo, that the privatization of OCFs services for troubled youths puts the public in danger as the provisions of services that are being provided are substandard, riddled with known security breaches, and are offered in understaffed private residential settings throughout New York City.

Last year, you rejected expanding the relinquishment of state responsibility for juvenile offenders beyond 2014. We ask you this year to not extend the date from September 2014 to April 2015 for the state to transfer state custody of juvenile offenders to ACS.

The next example I would like to call to your attention concerns use of private contractors at the State Office of Information Technology (OITS). Some of you may recall a story that appeared this past October, 2013, in the Albany Times Union about the criminal behavior of a state contractor hired to work at the State Office of Information Technology.

The news story reported that the state police had arrested a man on a charge of computer trespass, as he had hacked 29 computer accounts of state employees at the State Office of Technology Services (OITS).

Ever since the governor launched a transformation plan at OITS in 2012, PEF has monitored the merging and consolidation of IT services. Again, this is another example of the issues caused by having State work performed by contractors that are not bound by the public officers law.

Ironically, there is now a proposal from the Governor to exempt from the Public Officers Law temporary IT contract workers who in the past worked for the State and are now banned from practicing as private contractors before the State as stipulated by the prohibitions of the Public Officers Law.

As you are aware PEF members have a proven record of expertise by helping the way we do business in New York. Our IT members developed a way for New Yorkers to register their vehicles online, and file electronic income tax returns. These accomplishments, and many others pioneered by PEF members, have enhanced the lives of taxpayers. Our members are dedicated and professional, and should be respected for the quality work they provide.

### **DOCCS Closures**

The fourth agency we would like to bring to your attention is Department of Corrections and Community Supervision – or DOCCS.

The Executive took the legislature out of the decision making process this past summer when it announced the closure of four prisons without your approval – Monterey Shock, Mt. McGregor, Chateaugay and Butler.

In this Budget, he is asking you to essentially retroactively approve his decision to dismantle innovative DOCCS facilities that are alternatives to non progressive, traditional prisons.

This decision will have a huge negative financial impact in the loss of state-operated services in economically distressed communities throughout New York State.

We believe the State should maintain and expand innovative alternative models of detention facilities... with a goal of ensuring that individuals return to the community as productive citizens.

We also believe that the legislature should have a right to advocate for the communities' interests especially when these unilateral decisions promote job loss and economic hardships in areas that are already economically devastated.

On behalf of PEF, I would ask the legislature to stop this attempt to dismantle innovative DOCCS facilities. I ask the legislature to support the intent of bill S.5945/A8180, Marchione/Tedisco that would restore the power of the legislature by requiring that the Department of Corrections submit a written report to the legislature explaining justification for the closure. This legislation also allows for the legislature to vote on the closure based on the data submitted.



## **Conclusion**

We chose to just highlight a few agencies today, but there are many others that are being underfunded and understaffed.

This governor's current budget with its promise to cut taxes and streamline government is placing the state workforce and the public at risk.

A recent audit conducted by State Comptroller Thomas DiNapoli found that the Department of Agriculture and Markets was falling behind in the inspections of food providers, including delis, bakeries and convenience stores due to staffing shortages.

According to the audit, the department's food safety division's staffing level is between 27 and 37 percent short of the level recommended by the U.S. Food and Drug Administration. The Comptroller's office also found that due to staffing shortages, state employees are clocking record levels of overtime - \$611 million in 2013.

As the report clearly points out, relying too heavily on overtime to cover for reduced staffing as many agencies are now doing puts both public employees and the public at risk. This is particularly significant for those who work to protect the public like the state police, or those at the Office for People with Developmental Disabilities, who care for the most vulnerable among us. And an editorial in the Albany Times Union on February 10, 2014 agrees, saying: "...the governor and lawmakers need to consider whether spending cuts in some critical areas have dangerously hampered the ability of government to do its job – a job that, after all, the public relies on it to do."

We believe, and I think you share this belief, that abolishing qualified public service is not the solution.

The public interest is best served by state agencies that are fully staffed with public servants.

So, we are asking that PUBLIC INTEREST be served by public workers... not those committed solely to private profit.

And we urge you to stop asking the poorest and sickest and most vulnerable to pay the highest price for proposals to "restructure" government and turn it over to the for-profit sector.

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

Thank you.