

First look at how state budget would affect PEF members, retirees



By SHERRY HALBROOK

The state Executive Budget for 2009-10, proposed by Gov. David Paterson about eight weeks early on December 16, calls for massive sacrifices by state employees, including 521 layoffs.

Because of the state's failing economy and flagging revenues, Paterson said the current-year budget deficit has grown to \$1.7 billion, despite cuts of more than 10 percent in agency spending made over the summer. If the state does not cut spending and increase its revenues, he said, it would

face a deficit of another \$13.7 billion for 2009-10.

"This is a national economic collapse," he said, but added, "New York State is the focus of woe. We've made too many promises and asked for too few sacrifices."

Paterson's budget assumes state employees will forego their 3 percent negotiated raises for 2009 and accept five more days of lagged pay.

Paterson is also proposing a new pension tier (Tier 5) for new hires.

And if you are not already retired, this budget would require you to pay a bigger share of your health insurance premiums when you do retire. You could end up paying 50 percent for your own health coverage and 65 percent for a dependent's coverage if you retired after just 10 years of state service. Your percentage would drop by 2 percent for every additional year of service for up to 20 more years. You would pay at least 10 percent for your own coverage and 25 percent for a dependent's coverage under this proposal – the levels currently paid by retired state employees.

Both state employees and retired state employees would start paying approximately \$20 to \$30 annually for Medicare Part B premiums for individual coverage. That additional annual cost would be \$80 for family coverage.

Who's closing, merging

The governor would close four state prison camps – Pharsalia in Chenango County, Gabriels in Franklin County, Georgetown in Madison County and Mt. McGregor in Saratoga County – and several prison annexes.

Six facilities for troubled youths would be closed – Adirondack Residential Center in Clinton County, Cattaraugus Residential Center (RC) and Great Valley RC in Cattaraugus County, Pyramid Reception Center in the Bronx, Rochester Community Residential Home

(RH) in Monroe County, and Syracuse Community RH in Onondaga County. Also, three evening reporting centers in Albany, Buffalo and Syracuse would be closed. Operations at two other youth facilities – Allen RC in Delaware County and Tryon RC in Fulton County – would be reduced.

The Manhattan Addiction Treatment Center would close.

The state Office of Mental Health would reduce its treatment capacity by 450 beds statewide.

Seven state agencies would merge and two others would have their operations “hosted” by other agencies:

- The Department of Economic Development (DED) and the Foundation for Science, Technology and Innovation (NYSTAR) would merge with Empire State Development Corporation;

- The State Employment Relations Board would be eliminated and its functions absorbed by the Public Employment Relations Board;

- The Northeastern Queens Nature and Historical Preserve Commission and the Hudson River Valley Greenway Communities Council and Conservancy would merge into the Department of State;

- The New York State Theatre Institute would merge with the Empire State Plaza Performing Arts Center Corporation (“The Egg”); and

- The Office of the Welfare Inspector General would merge with the Office of the Medicaid Inspector General.

Additionally, the Department of Taxation and Finance would host the operations of the Office of Real Property Services and the Division of the Lottery would host the operations of the Racing and Wagering Board. The budget anticipates Tax and Finance also would add 300 positions.

Where the hits are

PEF Director of Civil Service Enforcement Tom Cetrino said state budget officials told him they intend to abolish those 521 positions even if more positions than the projected 4,205 are vacated by attrition. Directly targeted for the layoffs are: 127 jobs at the Office of Children and Family Services (OCFS); 120 at the Office of Mental Health; 110 at the Office of Mental Retardation and Developmental Disabilities (OMRDD); 83 at DED; 26 at NYSTAR; 20 at the Office of Alcohol and Substance Abuse Services; 12 at the Office of Real Property Services; three at the Labor Department and 20 at other agencies.

Some agencies are targeting positions for layoffs, even though they are gaining positions overall. For example, the budget calls for OMH to add 586 new positions and vacate 410 through attrition. Although that would produce a net gain of 176, the layoffs of 120 people will drop that net gain to 56.

The four state agencies that would lose the most employees are:

- The Department of Correctional Services – 1,342;

- OCFS – 288;
- The Department of Economic Development – 200; and
- OMRDD – 53.

The budget projects a net loss of 3,108 state positions by March 31, 2010.

Down the road

Paterson would create a new Council on Shared State Operations to oversee the development of a “shared services” model in New York, co-chaired by the director of state operations and the director of the budget. This would aim to centralize administrative-support operations.

State agencies will work together for several years to create shared service centers with expertise in six areas and responsible for administering the following consolidated lines of business across state government:

- Financial management including budgeting, procurement, accounts payable, and travel expense reporting;
- Procurement to evaluate and improve the state’s procurement policies, coordinate purchasing among state agencies, develop new ways to leverage the state’s buying power, and help develop an e-procurement system. The new office will be led by a chief procurement officer;
- Human resources to coordinate employee benefits, training, recruiting, and time and attendance;
- Technology to improve the delivery of disaster recovery services, consolidation of servers into a statewide data center, required security, and improvements to telecommunications;
- Asset management to focus on managing state-owned and leased real property, and explore fleet and surplus property initiatives; and
- Customer service to develop statewide customer service activities, including a statewide Web-based portal for “one-stop” applications for licensing and permits, and potentially a statewide call center.

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[2009-2010 Executive Budget – Briefing Book](#) (Official NYS website link)

[2009-10 Executive Budget: Agency Presentations by State Agency](#) (Official NYS website link)s