



# NEWS

*New York State  
Public Employees Federation  
AFL-CIO*

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## **Statement by PEF President Ken Brynien on DOB Layoff Announcement**

**Albany** - Today State Division of the Budget Director Laura Anglin announced the need for 8,900 state employee layoffs unless public employee unions agree to contract concessions proposed in the Executive Budget.

There is absolutely no need to do layoffs. It will not save the money that the governor thinks it will.

PEF's position is clear and unchanged. We will not agree to any changes in our contract that reduce compensation.

We also take exception to Director Anglin's assertion that the public employees have offered no counter proposals to address the state's budget crisis. We have been offering alternatives to raising revenue and cutting costs for months.

Once again we offer suggestions that will reduce the deficit without resorting to damaging cuts to state services while maintaining the inviolability of the state's collective-bargaining agreements.

PEF's proposals for deficit reduction are as follows:

Use the federal stimulus funds New York will receive for their intended purpose, to limit cuts in state services and jobs. Drastic cuts in the state budget will lower economic activity and negate the stimulus package's overall impact.

Reduce the state's reliance on costly consultants who are being overpaid to do the jobs state workers can do at a much lower cost. Currently the state spends almost \$3 billion annually for consultant services. The state could save \$730 million over three years by replacing half of the consultants with state employees.

Reduce overtime costs. The state spent \$485.7 million on overtime costs in fiscal year 2007-08. Hiring employees, instead of paying overtime, would generate new jobs and save \$160 million.

Make our income tax system fairer by increasing the income tax on wealthier New Yorker's. This would generate between \$2 billion and \$7 billion in revenue, depending on the income levels and rates.

Generate approximately \$100 million a year in savings by using the state's purchasing power to negotiate lower costs for prescription drugs for Medicaid, state employees and other state programs.

Tax Health Maintenance Organizations (HMOs) in the same manner as other insurance companies and close other corporate tax loopholes. The state Division of Budget calculated this would add revenue of \$300 million per year.

Improve accountability of economic development programs to level the playing field among businesses in NYS including improving the effectiveness and accountability of industrial Development Agencies, applying Brownfield Clean Up Program reforms to "grandfathered" projects, and reform the Empire Zones program. This will save \$50 million per year to start, rising to \$500 million after 10 years.

Expand the Voluntary Reduction in Work Schedule (VRWS) program to allow more employees the ability to adjust their work week and pay. This program could save an additional \$70 million costs for PEF represented employees alone.

We believe a combination of Federal aid, tax reform and moderate budget cuts can solve the state's deficit without adversely affecting state services or the workers who provide them.

Until the governor has implemented these savings and revenue-raising proposals, it is unconscionable to call for concessions from, or layoffs of, the state work force. The policy of New York State should be to respect people who work hard for the public and to honor its commitments to those workers.

PEF is the state's second-largest state-employee union, representing 59,000 professional, scientific and technical employees.