

Cuomo Victory Lap Holds More Employee Givebacks

By MARK TOOR | Posted: Monday, January 9, 2012 5:00 pm

Governor Cuomo's State of the State address Jan. 4 was partly a victory lap for his first year in office ("thinking back on what we accomplished makes me tired") and partly an outline for a far-reaching agenda for Year 2 ("more ambitious than anything this government has done in decades and decades and decades").

He opened with, "Happy New Year, New York. It's gonna be a good one."

...Unless You're a State Worker

His speech indicated, however, that this sentiment doesn't apply to public-sector workers. Just months after using the threat of 10,000 layoffs to bludgeon the two largest state-employee unions into accepting Scrooge-like contracts, he said state government needed drastic reorganization—and further cuts.

"The more I've seen, the worse the situation is with the state agencies," he said. "...The system has just gotten to a point where it is not operational. We've been cutting the budget for many years. When we've been cutting personnel, we never reduce the workload, and the wheels have come off the car. We're going to need to fundamentally re-imagine how the government operates, and we're going to need a government that performs better and costs less."

He gave no specifics of either government dysfunction or proposals for change, saying the budget he will release later this month will contain additional information. A preliminary report last month from his Spending and Government Efficiency Commission proposed only one consolidation among state agencies, involving the Bridge Authority, the Thruway Authority and the Transportation Department.

"I don't even know what it meant, to be honest," Kenneth F. Brynien, president of the Public Employees Federation, told the Albany Times Union about Mr. Cuomo's comments on government reorganization. "If anything, what he needs to do from the ground up is actually ask people on the ground what needs to be done."

Back to Pension Push

Mr. Cuomo's only specific proposal involving public workers dealt with a new pension system for future employees, which he introduced at the end of last year's legislative session. "We need to reform the pension system and create a Tier 6," he said. The bill he introduced last year would have raised the retirement age to 65 for all new hires except cops and firefighters, doubled the typical employee pension contribution to 6 percent for future hires, ended the use of their overtime and

unused sick leave in determining pension allowances, and limited how much service beyond 20 years could be used to bolster pension payments.

“I am frankly surprised that the Governor gave such high priority to a new pension tier with emphasis on immediate impact,” Danny Donohue, president of the Civil Service Employees Association, said in a statement. “A Tier 5 was only recently enacted and will not provide the state and localities with any significant savings for many years. A Tier 6 would be no different and would only mean that working people would have to work longer, pay more and benefit less—hardly in keeping with the Governor’s goal of strengthening the middle class.”

“The ability to attract good workers will be important if the Governor seeks to pursue his ambitious agenda,” Mr. Brynien said. “The Governor’s proposal for a new pension tier is like eating your seed corn. It may help you get by now, but you will starve later.

Tier 6 for Consultants?

“The Governor stated that now is not the time to be squandering resources. We couldn’t agree more. The best ways to achieve efficiencies would be to reduce the number of unaccountable public authorities by merging them into state agencies. In addition, we need to eliminate the multiple layers of political-patronage appointments that currently exist in virtually all state agencies and authorities. Finally, we need to reduce the use of high-cost consultants and contractors that do work public employees can do better and for less. If this is what the Governor means by reimagining state government, this is a framework we can work within.”

Mr. Cuomo, who cut \$1.5 billion in aid to local schools from last year’s budget, did not mention earlier promises to restore about half that money in the coming year. Instead, he called for schools to concentrate on student achievement, Teacher-evaluation procedures and “management efficiency.”

In a system where every employee has a lobbyist to represent his or her interest, he said, “I will wage a campaign to put students first, and to remind us that the purpose of public education is to help children grow, not to grow the public-education bureaucracy.”

When he listed his first-year achievements such as the property-tax cap, revision of the income-tax code and passage of a same-sex-marriage law, he did not mention the contracts with PEF and CSEA, which include three-year pay freezes, nine unpaid furlough days and sharp increases in health-benefit costs.

Speed Infrastructure Repair

In another slap at the way government operates, Mr. Cuomo said when proposing a commission to coordinate infrastructure repair across the state: “We can’t do this on government time. It can’t take three years to put a shovel in the ground.”

In other areas, Mr. Cuomo listed several initiatives large and small, most of which he said would

create badly-needed private-sector jobs. Perhaps the most notable was construction of a 3.8-million-square-foot convention center, which would be the nation's largest, at Aqueduct Racetrack. He would then raze the Javits Center, now the nation's 12th-largest, and use its 18-acre site for development that would "revitalize New York City's West Side."

He said private investors would cover the \$6-billion cost. Critics said such huge convention centers tend to be underused and a drain on taxpayer funds; defenders said the purpose of these centers was not to make money but to attract visitors who patronize hotels and restaurants.

As expected, he called for an amendment to the state Constitution allowing casino gambling beyond Indian reservations. "It's not a question of whether we should have gaming in New York," he said. "The fact is we already do. Native Americans have five casinos in New York and we have nine racinos at our racetracks. We don't fully realize it, regulate it, or capitalize on it, but we have gaming...States and Canadian provinces just across our borders have legalized casino gaming. They get the tourism, the revenue, and the good jobs that belong here." Casino gambling would generate \$1 billion in economic activity in the state, he said.

Expand DNA Database

He also proposed \$1 billion in economic-development incentives to attract businesses to the struggling city of Buffalo; expanding the state's DNA database to include everyone convicted of a felony or a Penal Law misdemeanor; and another competition among regional economic-development committees for a total of \$200 million.

The flooding upstate from Hurricane Irene and Tropical Storm Lee showed the need for "a statewide network of emergency responders who are prepared for anything, anytime," Mr. Cuomo said. He said he had hired Jerry Hauer, who was head of emergency management for New York City under former Mayor Rudy Giuliani, to coordinate this effort.

Mr. Donohue criticized this part of Mr. Cuomo's agenda. "It was disappointing that the Governor's appropriate recognition of first responders to the recent series of natural disasters seemed to focus on the uniformed services without real appreciation for the wide range of front-line state and local government employees who were essential in New York's addressing the emergency," he said. "Many of these workers put duty first to respond while their families faced risk and devastation. So many of these workers are at risk from state and local cutbacks and property-tax-capping."

Murky Mandate Relief

Mr. Cuomo also revived his call to give local governments and school districts relief from state mandates, a campaign promise that was supposed to provide some balance to the aid cuts and tax cap. His Mandate Relief Redesign Team, chaired by his Secretary, Larry Schwartz, submitted a report last month that was posted unannounced on the Governor's website. The 70-page report contains only four pages of vaguely-worded recommendations totaling \$40 million, and after Mr.

Schwartz released it, several commission members said he had done so without consulting them.

But Mr. Cuomo said in his speech that a new Legislative and Executive Mandate Relief Council would start work this month and come up with recommendations by the end of the legislative session in June. The Legislature should vote on them this year, he said.

Assembly Speaker Sheldon Silver and Senate Majority Leader Dean Skelos gave short speeches. Mr. Silver said the Assembly would push three initiatives to help bolster the middle class: an increase in the minimum wage from \$7.25 to at least \$8 per hour, an income-tax cut for families earning less than \$30,000 a year, and increasing aid for community colleges, to which many of the unemployed turn for retraining.

After the speech, Mayor Bloomberg said he supported several of Mr. Cuomo's proposals, including the convention center at Aqueduct and redevelopment of the Javits Center, expansion of the DNA database and the new pension tier for public workers. "We've been able to get 50 million tourists to New York City this year with a convention center that's so small it could fit inside the McCormick Center in Chicago and they could still have their conventions," Mr. Bloomberg said. "Can you imagine what we could do if we had a world-class, appropriate-sized convention center? So I think it would be a great idea to get it done."

But he disagreed on one issue. Mr. Cuomo wants to end fingerprinting of food-stamp recipients. The Governor said this creates a stigma that makes people reluctant to apply. The Mayor said it's a useful tool to combat fraud. "It's not a stigma, and it may be elsewhere in the state, and maybe that's what he was referring to, but it's certainly not a stigma," he said.