



**WESTCHESTER COUNTY ASSOCIATION
TESTIMONY TO THE WESTCHESTER COUNTY NY STATE SENATE DELEGATION
ON THE PROPOSED FY 2022 NEW YORK STATE BUDGET**

About the Westchester County Association:

The Westchester County Association is a professional organization dedicated to advancing issues and programs that cultivate a robust economic environment for our members and for the community at large. The WCA represents hundreds of the region's foremost businesses and nonprofits in industries as diverse as real estate, healthcare and bioscience, law, energy, finance and banking, technology, hospitality, and higher education.

Support Investments in Workforce Development and Worker Training in High Growth Sectors:

As noted in the Governor's State of the State Briefing Book, the Administration recognizes that business partnerships are critical to designing effective workforce programs which are demand-side based and allow pathways to sustainable wage employment. As identified therein, New York's key budget proposal to tackle workforce development is the State's \$175 million Workforce Development Initiative.

In Westchester County and the Hudson Valley, the need for job training, placement assistance, and work tryout funding targeting the healthcare sector is acute. The most recently available data places Westchester's unemployment rate at 5.8 percent -- a 60 percent increase over last year. According to the NYS Department of Labor, the Hudson Valley shed 74,000 private sector jobs last year. Meanwhile, demand is growing for middle-skilled workers from our regional hospital groups and healthcare providers. Moreover, degree and certification programs are expanding at our local colleges and universities.

The WCA has enjoyed recent success administering a multimillion-dollar U.S. Department of Labor grant under which the WCA provided training for greater than 600 Hudson Valley residents and placed almost 400 long-term unemployed persons in hard-to-fill healthcare positions.

Building upon the success of this program, the WCA has applied for a grant pursuant to the State's Workforce Development Initiative called Pay for Success. Funding for Pay for Success will allow the WCA to train 250 individuals in the expanding healthcare field in partnership with



major regional hospital groups, healthcare providers, and educational institutions. Unfortunately, Workforce Development Initiative funding awards continue to be held up for budgetary purposes. Although this initiative was announced in May 2019, the State has issued just five funding announcements aggregating approximately \$20 million in total awards. No awards have been announced since last September.

*****Previously budgeted sums under the State’s Workforce Development Initiative should be released so that programs such as the WCA’s Pay for Success can help job seekers land good paying jobs in upwardly mobile career paths and meet the hiring needs of our growing healthcare sector.***

Support Investments in Regional Healthcare and Healthcare Coverage:

The WCA supports many of the healthcare priorities set forth in the Executive Budget. Expanded access to telehealth and investments in testing and vaccine distribution are important to our regional hospitals and healthcare providers. Moreover, the Executive Budget provides additional funding for the Essential Plan to make coverage more affordable, improve reimbursement rates and expand health plans’ in-network coverage.

Notwithstanding, during a period in which not-for-profit healthcare institutions are enduring major COVID-19 related expenses and the State is similarly struggling with COVID-19 related expenditures, for-profit health insurers continue to prosper.

For New York’s healthcare providers, COVID-19 has been an economic plague as well as a medical one. According to the Healthcare Association of New York State, by April 2021 New York’s hospitals will suffer \$20 billion to \$25 billion in losses and increased expenses – reflecting about 20 to 25 percent of patient service revenue. Meanwhile, health insurers are enjoying record profits. The most recent quarterly data from the National Association of Insurance Commissioners, as analyzed by the non-profit Kaiser Family Foundation, shows that margins across the health insurance industry are up more than twenty percent this year while medical loss ratios decreased by an average of four percentage points in the same period.

*****Rather than pursue additional proposed cuts to the Medicaid rate, Medicaid capital payments, and the Indigent Care Pool, the state should seek greater revenue assistance from for-profit health plans who continue to profit handsomely in the midst of the pandemic.***

Support Capital Investment in Suburban Digital Infrastructure:

The Executive Budget includes expanded broadband access in its list of major ongoing infrastructure investments. The focus on digital infrastructure is reinforced in related proposals as set forth in the State of the State Briefing Book which address the digital divide and fiber buildout. As a suburban (as opposed to rural) community, Westchester County and the lower

Hudson Valley frequently is left out of State funding programs designed to improve digital access. However, the need is not diminished.

According to a recent study performed by the Westchester County Office of Economic Development, the digital divide is a key hurdle in economic development at the county level. This conclusion was preceded by the WCA's recent strategic report, entitled *Towards a Stronger Future*, identifying digital connectivity as one of the four foundational pillars of post-pandemic economic recovery in the lower Hudson Valley. Similarly, the Westchester based non-profit STEM Alliance approximates that 51,000 Westchester households have no internet subscription. For those households, that means limited access to schooling, telemedicine and telework opportunities. While the State has recently provided \$500 million in matching funding for service providers to build out their networks, the focus is almost exclusively on rural deployment.

*****Future funding for digital infrastructure should treat the underserved and unserved communities in Westchester and the lower Hudson Valley on par with funding for rural communities.***

Support Additional Federal COVID-19 Relief for New York:

The Executive Budget for the 2021-22 fiscal year demonstrates a desperate need for additional federal COVID-19 related assistance. Conservatively, the proposed budget *presumes* \$3 billion in direct federal aid to New York this year plus another \$3 billion next year as part of an additional COVID-19 relief bill. Even if received, this amount will fall well short of the \$15 billion estimated by the Department of Budget as necessary to avoid proposed cuts to Medicaid, education, and state and local governments. Any such cuts will hit Westchester particularly hard due both to the size and scope of its healthcare sector and because of the existing heavy tax burden.

Negotiations surrounding additional federal COVID-19 relief are ongoing. The Democrats proposed \$1.9 trillion package includes \$350 billion in aid to state and local governments while the Republicans proposed package includes no such aid whatsoever.

*****The New York Legislature must continue to advocate vigorously for urgently needed federal COVID-19 relief which includes the full \$15 billion in direct federal aid to New York State.***

Respectfully submitted,

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Westchester County Association