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THE SENATE
STATE OF NEW YORK



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November 26, 2018

The Honorable Andrew M. Cuomo Executive Chamber State Capitol Albany, NY 12224

Dear Governor Cuomo:

As you may be aware, more than 1,100 former employees of the now defunct St. Clare's Hospital in Schenectady have recently been notified by their pension fund administrators that their pensions will either be significantly reduced or outright eliminated in 2019. In some cases, people who worked at the hospital for decades will receive no pension at all.

St. Clare's Hospital was closed 10 years ago by a mandate of the state's Berger Commission and its operations were absorbed by Ellis Medicine. At the time, the state paid \$50 million to St. Clare's in a good faith attempt to cover transition costs including \$28 million to cover the anticipated needs of the St. Clare's pension fund.

However, it has since been determined that amount was not enough to cover the fund's pension costs in part due to the downturn of the economy during the Great Recession. Further, since federal law permits a religious exemption, St. Clare's pension fund has no benefit guarantee insurance. Through no fault of their own, the retirement of over 1,100 pensioners has been thrown into chaos.

We are respectfully requesting that in next year's state budget you include \$53.5 million in funding, pursuant to an audit by the state Comptroller, to cover the total benefits earned and promised by the Berger Commission in its directive by the Governor and Legislature at the time to right size New York's hospitals and healthcare facilities. This one-time payment could go towards a retirement fund that is managed by the state Comptroller for greater taxpayer accountability and transparency to make these health care professionals' retirement whole.

These hard-working New Yorkers deserve the peace of mind that the retirement they earned and planned for will be there for them. Private or public, for profit or not for profit, when New York State makes a financial promise to a group of employees it has an obligation to fulfill it.

Thank you for your consideration.

Sincerely,

Santor Inmas N. Tadisaa

Senator George Amedore