



NYS AFL-CIO 2023-2024 Final NYS Budget Breakdown

This is an initial breakdown of the final state budget.
It will be updated as we continue our review.

Minimum Wage Increase and Indexation

The final agreement significantly improves the Governor’s original proposal to index the state’s minimum wage based on inflation. The new proposal will increase the current base minimum wage of \$15.00 downstate (New York City and the counties of Nassau, Suffolk, and Westchester) and \$14.20 upstate for all workers along the following schedule:

	<u>NYC & Downstate</u>	<u>Upstate</u>
January 1 st 2024,	\$16.00	\$15.00
January 1 st 2025	\$16.50	\$15.50
January 1 st 2026	\$17.00	\$16.00

On January 1st, 2027, and each year thereafter, the minimum wage will increase by the average annual rate of change in the CPI-W for the prior three years. The indexation can be suspended if: 1) there is a negative CPI-W rate for the prior year; 2) the 3-month moving average ending on July 31st of the preceding year in the state’s unemployment rate rises by .5%, and 3) if there was a decrease in total non-farm employment in the two periods from April to July and from January to July in the preceding year. However, the suspension of the indexation can only occur for two years before another increase must occur.

Tipped-wage workers and workers subject to wage orders will also see commensurate increases in their minimum wages.

Labor-Related Climate Initiatives

Cap and Invest - The budget agreement sets the stage to establish a statewide limit on greenhouse gas emissions and a new fee on excess emissions to be established on an economy-wide basis through regulations. The revenue from those fees is expected to raise \$3 billion annually. Much of how this new program will work, including the costs for employers and how trade-exposed, energy-intensive industries (EITEs) are to be treated, will be determined through regulations. The specific use of this revenue will be determined in future legislation, but this bill establishes strong labor language that will apply when those decisions are made. This includes public works applicability, prevailing rate and project labor agreements (PLAs) on construction, apprenticeship language, Buy American on supply chain, Article 9 prevailing rate and labor peace agreements on future operations and maintenance and protections for public employees. A new jobs planning program to monitor the impact on existing jobs and assistance with workforce development, worker transition, and assistance for displaced workers was also established.

The remainder of the spending plan will be determined by future legislation and will likely center on the development of clean energy systems and equipment. The NYS AFL-CIO will continue to advocate that a portion of the funds be used for worker training, assistance for displaced workers, and for EITEs to upgrade and modernize to clean energy alternatives to prevent leakage.

Building Decarbonization and State Facilities Decarbonization

The budget agreement on a statewide basis prohibits the installation of fossil fuel equipment and systems in all new construction of buildings seven stories or under after December 31, 2025, and applies the prohibition to all buildings after December 31, 2028. The prohibition is contingent on the utility provider verifying there is capacity to provide adequate service. New York City already enacted its own decarbonization law which will continue to apply in New York City.

The agreement also includes a requirement for the state to develop decarbonization “action plans” to decarbonize 15 of the highest emission, state-owned facilities and campuses including the feasibility of using geothermal networks to decarbonize heating and cooling systems. The agreement requires a progress report to the legislature by January 31, 2025, and final reports by January 31, 2026. This agreement includes \$30 million for the design plans and \$30 million for the construction of a renewable energy replacement chiller plant at SUNY Albany. Labor language for prevailing rate, PLAs, Buy American, prevailing rate on building service work, and public employee protections are included for this project and any other action plan projects moving forward.

Build Public Renewables - This proposal will authorize the New York Power Authority to develop, build, own, and operate renewable energy generation systems and participate in the energy market to spur clean energy development. Labor language including prevailing rate, project labor agreements, Buy American, Article 9 prevailing rate on building service work, labor peace agreements, and an MOU requiring NYPA and the contractors it works with to prioritize the hiring of displaced fossil fuel workers are all included in this bill. The bill includes \$25 million in annual funding for the Office of Just Transition, in coordination with the Department of Labor, to develop workforce training and preparation for employment in renewable energy.

Child Care Facilitated Enrollment

The child-care facilitated enrollment (FE) program will be expanded and authorized to serve episodic and undocumented workers as well as all other workers with incomes up to 400% of the federal poverty level in areas where the traditional FE program operates. Since federal law excludes these workers from accessing federal childcare assistance due to requirements on hours worked per week, citizenship status, and a maximum income threshold of 85% of the state medium income (SMI), this pilot program will be entirely state-funded.

The budget includes a \$4 million appropriation to WDI and a \$1.5 million appropriation to CWE to serve the new populations and increased one-time assistance for infrastructure and staff. Also, it includes \$600,000 for WDI and \$1.25 million to assist in the transition of existing families from the traditional FE program to county subsidies as those eligibility levels are now equalized.

Health Care

Regulation of Provider Staffing Agencies and App Workers - The budget agreement requires temporary staffing agencies and apps that provide nurses, CNAs, or other direct healthcare staff for hospitals and nursing homes to register with the Department of Health (DOH). Minimum licensing and credentialing requirements, maximum billing rates, dispute resolution procedures and data collection, transparency, and other cost and quality oversights are established in the bill.

Medicaid - The agreement includes a 7.5% increase in Medicare rates for hospitals and nursing homes.

Education & Higher Education

School Aid - The budget agreement includes \$34 billion in school aid with a \$2.6 billion increase to fully fund the Foundation Aid formula.

SUNY/ CUNY - The agreement includes \$178 million in operating support for SUNY and \$97 million for CUNY. The SUNY teaching hospitals will receive \$65 million in debt service relief to address financial instability. The budget also includes a \$500 million Endowment Matching Fund for contributions made to the endowments of SUNY's four university centers with a \$25 million minimum.

Charter Schools - The budget allows 14 "zombie charters" to reopen in New York City and eight for the rest of the state for a total of 22. Charters will not be allowed in NYC community school districts where the total student enrollment is 55 percent or more. The budget also provides \$185 million to reimburse public school districts for supplemental basic tuition payments made to charter schools and \$100 million in facilities aid.

Transportation

The budget includes \$300 million in one-time state aid for the MTA, increases the Payroll Mobility Tax for the largest businesses within New York City by \$1.1 billion, and includes a 5.5 percent fare increase to support operations and service.

The budget also includes a \$15 million pilot project to fund a zero-fare bus program with one free route in each of the five New York City boroughs.

The agreement includes funding for infrastructure spending for the Department of Transportation's 5-year capital plan at \$5.5 billion for roads, bridges, rail, aviation, and non-MTA transit systems. This includes an additional \$100 million for local road capital, \$60 million of which is allocated for the Consolidated Local Street and Highway Improvement Program.

The budget provides \$829.2 million in operating assistance for upstate and downstate non-MTA public transit systems.

Public Employees

Civil Service Recruitment and Retention Improvements - The budget agreement requires the state to waive its civil service test fees and authorizes cities and counties to waive civil service test fees from 7/1/23 through 12/31/25.

The agreement also allows for continuous eligibility for appointment to positions from civil service lists without the need for new tests.

Pension Improvements - Several pension bills, including one for New York City police and fire members to obtain credit for services as an EMT, a death benefits improvement for Nassau County fire marshals and related titles, and other disability and death benefit improvements were approved as part of the final agreement.

WTC Division of Military and Naval Affairs Disability Eligibility - The budget provides that National Guard personnel who were activated and participated in rescue, recovery, and clean-up of the World Trade Center on or after 9/11/2021 and who develop qualifying conditions are eligible for appropriate death or disability pension benefits.

Volunteer Firefighters - The original proposal to allow local governments to pay volunteer firefighters was rejected. Authorization for a new training stipend was approved to allow local governments to help cover the costs of required firefighter training for volunteers.

Miscellaneous Issues & Labor Programs

Film and Tax Credit - The Empire Film Tax Credit cap is increased from \$420 million to \$700 million dollars and the post-production credit is increased from \$25 million to \$45 million. The credit will be expanded to apply to wages and salaries of writers, directors, composers, and producers that are \$500,000 or less.

COBRA Assistance for Entertainment Workers - This program was extended for 1 year through July 1, 2024.

Belmont Park Redevelopment - The agreement authorizes a \$455 million state loan for the New York Racing Association's (NYRA) Belmont Redevelopment Project. The Legislature included PLA language and employee protection language.

Cannabis Worker Initiative - The Legislature approved \$3 million for this program operated by Cornell ILR and WDI, an increase of \$500,000 over last year.

WDI Funding - The Legislature approved \$4 million in operating assistance and \$2.5 million for the manufacturing initiative as well as all existing pre-apprenticeship programs for WDI.

Cornell Funding - The Legislature appropriated \$300,000 for the Cornell University Worker Institute; \$300,000 for the NYS AFL-CIO/Cornell Union Leadership Institute; \$150,000 for the Cornell ILR Sexual Harassment Prevention Program; \$150,000 for the Cornell University Domestic Violence Program; \$2 million in this year's appropriation for Climate Jobs Institute.