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NYS AFL-CIO 2024-2025 Executive Budget Proposal Breakdown

This budget breakdown highlights the labor-related issues included in Governor Hochul's Executive Budget proposal. We have indicated where the NYS AFL-CIO has taken a position. Where no position is indicated, the issue remains under review. Updates will be made to this document periodically as we get more information and input from our affiliates.

Revenue & General Issues

With a projected \$4 billion deficit, the Governor has proposed a \$230 billion spending plan that does not raise taxes or include any other major revenue raisers. The budget does include spending of \$2.4 billion to address the ongoing migrant crisis and recommends spending of \$500 million from rainy day fund reserves to pay for part of that.

Education / Higher Education

School District Aid

The state budget underfunds foundation aid for school districts at \$400 million lower than scheduled, by not including required inflationary adjustments and by ending the "hold harmless" provision that guarantees funding for schools will remain at least as much as the previous year. The NYS AFL-CIO opposes this proposal.

SUNY Downstate Medical Center

Although not directly included in the budget, the SUNY Chancellor released a plan to transition the SUNY Downstate Medical Center services to other hospitals in the Brooklyn area. The NYS AFL-CIO is reviewing this plan with affiliates.

Health Care / Medicaid

Funding Cut in Medicaid Rates for Hospitals and Nursing Homes

The proposal cuts Medicaid rates for hospital and nursing home capital costs by 10%. The NYS AFL-CIO opposes these cuts.

Funding Cuts for Distressed Hospitals and Nursing Homes

The proposed budget cuts \$500 million from the hospital Vital Access Provider Assistance Program (VAPAP) and \$75 million from the nursing home VAPAP fund. The NYS AFL-CIO opposes these cuts.

Consumer Directed Personal Assistance Program (CDPAP) Home Care Worker Wage Parity Cut

CDPAP assistants in New York City and Nassau, Suffolk, and Westchester counties would see their wages cut by over \$3.00 per hour with the Governor's proposal to repeal wage parity for CDPAP. The NYS AFL-CIO opposes this proposal.

Scope of Practice and Interstate Compact

These proposals would allow CNAs to work as medication aides; authorize the state to join the Nurse Licensure Compact to recognize nurse licenses from other states and allow nurses from other states in the compact to practice in New York; and allow medical assistants to administer immunizations in outpatient settings. The NYS AFL-CIO opposes these proposals.

Human Service Workers Cost-of-Living Adjustment (COLA)

The budget proposes a 1.5% COLA for various human service workers in not-for-profit sectors including health, mental health, developmental disabilities, and others.

Energy / Climate Change**Renewable Action through Project Interconnection and Deployment (RAPID) Act**

This proposal would rename and transfer the Office of Renewable Energy and Electric Transmission Siting (ORES) from the Department of State to the Department of Public Service and expand its authority to include electricity transmission siting. The proposal would also streamline the permitting and siting timelines. This proposal includes collective bargaining, civil service, and job protections for the workers at ORES. This proposal does not include labor standards or protections for construction, operations, maintenance, or supply chain; or Buy American requirements.

Affordable Gas Transition Act (NY HEAT)

This proposal would make various changes to the state's utility regulatory rubric to facilitate curtailment of gas service in furtherance of emission reduction mandates. Additional specific changes include prohibiting geographic expansion of gas systems (with limited exceptions), eliminating the 100-foot rule for new gas hookups, and eliminating the continuation of gas service requirement for reconstructed structures. The NYS AFL-CIO opposes this proposal.

Just Transition / Worker Training Funds

The Governor included \$25 million in workforce training funds through the Office of Just Transition. The NYS AFL-CIO supports this proposal.

Entertainment Employees**COBRA Assistance for Displaced Employees**

The Governor included \$3 million and extended for one year the entertainment worker COBRA assistance fund for industry employees who become displaced. The NYS AFL-CIO supports this proposal.

Economic Development**Artificial Intelligence**

The Governor included \$275 million in state incentives for the development of artificial technology in the state. The NYS AFL-CIO is reviewing this proposal but also urges the inclusion of labor standards and protections with regard to the development itself and for the responsible use and application of AI to prevent job loss, eliminate bias, and allow for transparent use in labor relations, and ensure the protection of data and personal information of workers and the general public.

General Labor Issues

Expanded Design Build

The budget proposes to allow the Dormitory Authority (DASNY) to manage and assist additional state agencies and various local governments with the planning, design and management of construction projects. This would extend the current authorization of DASNY's design build capacity to allow for use on those entities' behalf. The NYS AFL-CIO opposes this proposal.

Prenatal Care Added to Paid Family Leave

This proposal would amend the State's paid family leave statute to provide for up to 40 hours of leave to pregnant workers for prenatal care. Leave could be taken in one-hour increments.

Childcare

The executive budget allocates \$1.8 billion to maintain the cap on copays at 1% of the family's income, and continue the expansion of the eligibility for childcare subsidies for working families earning up to 85% of the State Median Income (\$99,250 for a family of four).

Facilitated Enrollment (FE)

As expected, funding for the traditional FE program and the new scholarship programs administered by WDI and CWE was not included. As in years past the NYS AFL-CIO will work with affiliates to include those appropriations in the final budget.

Breast Milk Expression in the Workplace

This proposal would mandate employers to provide paid break periods up to 20 minutes to allow an employee to express breast milk up for up to three years following childbirth. The NYS AFL-CIO supports this proposal.

Wage Theft Enforcement

This proposal authorizes the Department of Labor to issue orders to county sheriffs to seize property and/or place a lien on the property of employers who have been found guilty of wage theft violations but have not paid the remedies awarded to their workers for their wage violations. The NYS AFL-CIO supports this proposal.

Frequency of Pay

This proposal would shield employers from liability for liquidated damages that could be awarded to workers. The proposal stems from a 2019 court decision which expanded liquidated damage awards with regard to frequency of pay violations. The NYS AFL-CIO opposes the current language and urges that this be removed from the budget for further review.

Covid Leave Repeal

This proposal repeals the paid sick leave law for workers who are subject to an order of isolation or quarantine due to COVID exposure. The NYS AFL-CIO opposes this proposal.

Increased Penalties for Assaults on Retail Workers

This proposal would make it a Class D felony to assault a retail worker while on the job.

General Public Sector Issues

Prison Closure

The budget proposes suspending the one-year notification requirement to close up to five correctional facilities with only 90 days' notice before closure.

Civil Service Reforms

This proposal expands the NY HELP Program, on a temporary basis, to all open-competitive titles, allowing provisional employees to move into permanent roles without taking an exam. This proposal also directs the Department of Civil Service to review all jobs with college degree requirements to see if work experience alternatives may be appropriate.

Retiree Health Insurance Cost Increase

The executive budget proposes to eliminate the Income Related Medicare Adjustment Amount (IRMAA) reimbursement currently provided by NYSHIP-participating employers to impacted retirees. The NYS AFL-CIO opposes this proposal.

Housing

Affordable Neighborhoods for New Yorkers (ANNY)

This creates a new law (485x of the Real Property Law Tax) to allow a full property tax exemption to spur construction of affordable units. Construction wage standards would be established through an MOU between stakeholders, or the program will not take effect.

Other Housing Measures

The proposal also includes: a 421-a extender to allow vested projects an extra 5 years to complete construction through 2031 instead of 2026; authorization for the conversion of commercial property into housing units, with many details to be decided in regulations; and authorization for the repurposing of state-owned land at SUNY and DOT.

TDI Increase and Indexation

Temporary disability insurance (TDI) is short-term disability insurance that all private sector employers in the state are required to carry for their workers. This provides temporary wage replacement for workers who are disabled as a result of a non-work related cause and are unable to work. TDI is not required of public sector employers.

The Governor has proposed increasing and indexing the TDI benefit and associated changes. Below is a description of the proposed benefit increase and the projected costs for employees and employers.

Benefit Increase and Indexation

The current benefit is 50 percent of a worker's average salary for the eight weeks prior to their disability. The weekly benefit is capped at \$170 per week and has not been increased since 1989. The Executive's proposed budget includes a proposal to increase and index the benefit for the first 12 weeks on the following schedule:

- 2025: 50% of the employee's average weekly wage (AWW) up to \$400
- 2026: 50% AWW up to \$630
- 2027: 50% AWW up to 50% state's average weekly wage (SAWW)
- 2028: 60% AWW up to 60% SAWW
- 2029: 67% AWW up to 67% SAWW

Benefits for weeks 13-26 would be capped at \$280 per week. Increases would be phased in from 2025 to 2029 and could be paused by the Superintendent of DFS for various cost, utilization, or employment-related issues.

This proposal would also provide the same job protections for workers accessing TDI as currently exist for those accessing PFL.

Employer/Employee Cost

Currently, employers are authorized to withhold 0.5% (one-half of 1%) of an employee's wages but that amount is capped at 60 cents per week.

The new proposal also authorizes employers to withhold 0.5% (one-half of 1%) of employee wages. The contributions would then be capped at an amount set by DFS that is 40% of "the average combination of all employee and employer disability benefit contributions for the prior year."

We are still waiting for clarification on projected dollar amounts so updates may be coming.