



## NYS AFL-CIO 2024-2025 Enacted State Budget Summary

This budget summary highlights labor-related issues included in the enacted New York State Budget. Updates will be made to this document periodically as we get more information and input from our affiliates.

### Revenue & General Issues

The Governor and the Legislature have enacted a \$237 billion spending plan that does not raise taxes or include any other major revenue increases. The budget includes spending of \$2.4 billion to address the ongoing migrant crisis.

### Tier VI Reform

#### Tier VI Final Average Salary

The budget changes the method Tier VI members' pension benefits are calculated by lowering the final average salary calculation from five years to three years. This change repeals one of the most regressive Tier VI pension cuts and will increase Tier VI members' pension benefits.

#### Tier VI Overtime Disregard Extension

The enacted budget extends for two years the law disregarding overtime and payment for extracurricular activities for the purposes of calculating members' contribution rate. This provision now expires April 1, 2026.

### Education / Higher Education

#### School District Aid Cuts Rejected

The enacted state budget restored proposed cuts to school district foundation aid and maintains the "hold harmless" provision that guarantees funding for schools will remain at least as much as the previous year. Foundation Aid is \$934 million greater than last year and \$430 million more than initially proposed.

#### NYC Schools

The budget extends mayoral control of New York City Schools until June 30, 2026. It also includes penalties that will be imposed on the City if it fails to budget appropriately to meet the class size reduction requirements in State law. It requires the City to increase funding to build more classroom seats. It also ensures a maintenance of effort in education funding, and that the City cannot dilute its support for schools by replacing City money with State funds.

#### SUNY Downstate Medical Center Closure Rejected

The budget rejects SUNY's plan to shutter Downstate Medical Center and establishes a commission with worker representation to develop a proposal for the future of the hospital to ensure continued care for communities in Central Brooklyn.

## **SUNY PLA**

The budget establishes PLA requirements for SUNY construction projects with estimated costs of \$10 million or more.

## **§211 Waiver for School Employees**

The Budget extends until June 30, 2025 the income limit waiver that permits retired public employees to work for school districts and BOCES without a cap on their earnings and without suspension or diminution of their pension benefit.

## **Housing**

### **Affordable Neighborhoods for New Yorkers (ANNY)**

The budget includes a property tax exemption (485x of the Real Property Law Tax) to spur construction of affordable housing. This exemption would apply to certain residential projects that comply with affordability provisions. To qualify, developers must pay minimum construction wages based on zones. Zone A includes Manhattan south of 96th Street and certain neighborhoods in Brooklyn and Queens. Zone B includes certain other neighborhoods in Brooklyn and Queens.

- Construction work in Zones A and B with at least 150 units must comply with the following prevailing rate classifications and pay at least the corresponding rate per trade:
- Zone A: the hourly wage rate shall be the lesser of \$72.45 or 65% of the prevailing wage in the relevant classification.
- Zone B: the hourly wage rate shall be the lesser of \$63.00 or 60% of the prevailing wage in the relevant classification.
- The minimum hourly rate for construction work in Zones A & B on projects with 100-149 units, and on projects within New York City, but outside of the zones, with at least 100 units, is \$40.
- The dollar amount thresholds above (\$72.45 for larger projects in Zone A, \$63.00 for larger projects in Zone B and \$40 for other covered projects) are indexed and increased by 2.5% beginning July 1, 2025 and again on July 1st each following year.
- Contractors with CBAs for all workers and projects with PLAs covering all workers are exempt from wage and enforcement requirements.
- All construction work will be subject to NYC Comptroller oversight/enforcement, payroll compliance and § 220/220-b Labor Law penalties.
- Developers with multiple violations or those that commence work without providing required notice may have tax benefits revoked.

### **Mitchell-Lama/New York Housing Futures**

The budget includes \$150 million for a new Mitchell-Lama program called New York Housing Futures. The total is split evenly between homeownership projects and rental projects at \$75 million each. Prevailing rate with a PLA opt-out applies to these projects.

### **Housing Outside New York City**

The budget includes a new 421-p exemption for projects outside of New York City on conversions, vacant, underutilized, or non-conforming land, that include at least 25% affordable units. Localities have to pass laws opting-in to 421-p for it to apply in their jurisdictions.

### **Other Housing Measures**

The budget includes an extension of 421-a to allow vested projects an additional 5 years to complete construction through June 2031. The budget also authorizes tax incentives for the conversion of commercial property into housing units, subject to Labor Law 224-a standards. Good cause protections for tenants are also included.

## **Health Care / Medicaid**

### **Medicaid Rate Increases**

The budget increases Medicaid rates for hospitals by up to \$525 million and nursing homes by up to \$285 million, and for assisted living programs by up to \$15 million.

### **Distressed Hospital and Nursing Home Funding**

The budget restored \$500 million in proposed cuts to the hospital Vital Access Provider Assistance Program (VAPAP) and includes \$800 million for financially distressed and safety-net hospitals.

### **Consumer Directed Personal Assistance Program (CDPAP)**

The budget establishes a single fiscal intermediary (FI) responsible for providing care to CDPAP participants with an estimated savings to the program of \$500 million. Effective April 1, 2025, the single FI and its subcontractors will be the only entities authorized to provide CDPAP services.

### **Home Care Worker Wage Parity Repeal Rejected**

The enacted budget does not include an earlier proposal to repeal wage parity for CDPAP.

### **Scope of Practice and Interstate Compact Proposals Rejected**

The enacted budget rejects proposals that 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.

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

The budget includes a 2.84% COLA for not-for-profit human service providers with a requirement that workers providing the services receive a salary increase of at least 1.7%.

### **Managed Care Organization ("MCO") Assessment**

The budget authorizes DOH to seek a federal waiver permitting the State to establish an assessment on MCOs. Projections indicate this could generate up to \$4 billion a year for investments in healthcare.

## Energy / Climate Change

### **Renewable Action through Project Interconnection and Deployment (RAPID) Act**

The enacted budget renames and transfers the Office of Renewable Energy and Electric Transmission Siting (ORES) from the Department of State to the Department of Public Service and expands its authority to include electricity transmission siting. This law also streamlines permitting and siting timelines. It includes collective bargaining, civil service, and job protections for the workers at ORES. Despite not being included in the initial proposal, the statute now includes labor standards and protections for construction, operations, and maintenance; and Buy American requirements for transmission and distributed solar projects. Specifically, this law expands Labor Law 224-d (prevailing wage and PLA) and Public Service Law 66-r (Labor Peace and Buy American) to cover distributed solar, offshore wind supply chain, and transmission projects. Note that at the request of an affiliate, transmission projects are exempt from PLA and Labor Peace requirements. Additionally, this proposal enhances previously-enacted Buy American requirements by applying the requirement to all iron and steel. This change applies to large-scale renewable projects including offshore wind, transmission, distributed solar, and offshore wind supply chain projects. Because the effective date is January 1, 2025, enhanced labor standards will not apply to 2024 solicitations.

### **Affordable Gas Transition Act/NY HEAT Rejected**

The enacted budget does not include this proposal which would have made various changes to the state's utility regulatory rubric to facilitate curtailment of gas service in furtherance of emission reduction mandates. Additional proposed changes included 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 requirements for reconstructed structures.

### **EV Charging Needs Evaluation**

The budget requires NYSERDA, in consultation with several other state agencies and authorities, to conduct a comprehensive EV charging needs evaluation.

### **Just Transition/Worker Training Funds**

The budget includes \$25 million in workforce training funds to the Office of Just Transition.

## General Public Sector Issues

### **AIM Funding**

The budget includes \$765.2 million in AIM funding, an increase of \$50 million over last year.

### **Prison Closure**

The budget suspends the statutory one-year notification requirement to close up to five correctional facilities. Up to five facilities can be closed with only 90 days' notice.

### **Lag Pay and Salary Deferral**

Subject to collective bargaining, the enacted budget eliminates lag pay for state employees hired on or after July 1, 2025 and eliminates salary deferral for state employees hired on or after July 1, 2024. These provisions delay state workers' initial paychecks for several weeks and reduce their pay for the first 10 weeks of their employment, respectively.

### **Retiree Health Insurance Cost Increases Rejected**

The enacted budget rejects the initial proposal to eliminate the Income Related Medicare Adjustment Amount (IRMAA) reimbursement currently provided by NYSHIP-participating employers to impacted retirees.

## **Entertainment Employees**

### **COBRA Assistance for Displaced Employees**

The budget includes \$3 million for the entertainment worker COBRA assistance fund for industry employees who become displaced.

## **Economic Development**

### **Newspaper and Broadcast Media Jobs Program**

The budget includes a three year, \$30 million annual tax credit for independently owned newspaper and broadcast media employers, or newspapers that can show certain hardships. Employers must demonstrate a net employment increase to maintain eligibility. Tax credits are limited to \$5,000 per employee and \$300,000 per employer.

### **IDA Transparency**

The budget requires the Independent Authorities Budget Office within the Department of State to establish a public database containing comprehensive information about subsidies and economic development benefits provided by industrial development authorities, the recipients of those subsidies and benefits, and the jobs created by such grants. It also subjects industrial development authorities to freedom of information and open meetings laws.

## **Child Care**

### **Child Care Facilitated Enrollment**

Although not included in the initial budget proposal, the enacted budget ensures that the child care facilitated enrollment (FE) program will continue to serve episodic and undocumented workers, as well as workers with incomes up to 400% of the federal poverty level across the state. Due to federal regulations that exclude these workers from accessing federal child care assistance, this program is fully state-funded.

Additionally, the budget will continue to provide \$600,000 for WDI and \$1.25 million for CWE to continue supporting working families by helping them gain access to subsidized child care through county subsidies.

### **Child Care Service Differential Rates**

Beginning April 1, 2025, the budget requires counties to pay providers at least 10% more if they provide care to children who are experiencing homelessness or provide care during nontraditional hours such as overnight or during weekends.

## **General Labor Issues**

### **Expanded Design Build Rejected**

The enacted budget does not include an initial proposal 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.

### **Prenatal Care Added to Paid Family Leave**

The enacted budget amends the State's paid family leave statute to provide for up to 40 hours of leave to pregnant workers for prenatal care which can be taken in one-hour increments.

### **Breast Milk Expression in the Workplace**

The budget requires employers to provide paid break periods of up to 30 minutes to allow nursing employees to express breast milk for up to three years following childbirth.

### **Wage Theft Enforcement Rejected**

The enacted budget does not include an initial proposal authorizing 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.

### **Elimination of Liquidated Damages for Pay Frequency Violations Rejected**

The enacted budget does not include an initial proposal that would have eliminated liquidated damages in connection with pay frequency claims by manual workers.

### **COVID Leave**

The enacted budget rejects the initial proposal to repeal the paid sick leave law for workers who are subject to an order of isolation or quarantine due to COVID exposure. Instead, COVID leave is extended for over one year and will sunset on July 31, 2025.

### **Cannabis Enforcement**

The budget includes enhancements to enforcement powers of the Office of Cannabis Management and authorizes municipalities to shutter unlicensed cannabis dispensaries. It also authorizes the state to revoke tobacco, liquor, and lottery licenses of shops that sell cannabis without licenses.

### **Hate Crimes**

The enacted budget expands the list of specified offenses that qualify to be charged as hate crimes.

### **Partial Unemployment Insurance Delay**

The budget delays implementation of partial unemployment insurance until October 1, 2024, and allows DOL to further delay implementation in 15-day increments until February 1, 2025.

## **Transit/Transportation**

### **Public Transit Funding**

The budget includes \$4.2 billion in one-time state aid for the MTA, \$551 million for downstate non-MTA transit systems, and \$333.2 million for upstate STOA.

### **Road Funding**

The budget includes \$598 million for CHIPS, \$140 million for State Touring Routes, \$200 million per year for BRIDGE NY, \$150 million per year for PAVE NY, \$200 million for Pave our Potholes, and \$100 million for Extreme Winter Recovery.

### **Autonomous Vehicle Testing**

The budget agreement includes a two-year extension of an existing law that allows testing of autonomous vehicles and leaves the requirement of state police oversight of the testing in place.

### **Transit Worker Assault and Harassment**

The budget adds traffic checkers and ferries to the lists of workers and workplaces protected by the second degree assault penalty enhancer. The enacted budget also increases penalties for aggravated harassment of transit workers by making such crimes Class A misdemeanors.

## **Retail Workers**

### **Assault of a Retail Worker**

The budget classifies assault of a retail worker as a Class E felony. Previously, assaulting a retail worker was charged as a misdemeanor and carried no unique penalties.

### **Fostering the Sale of Stolen Goods**

If a person facilitates, promotes, or assists in the sale of stolen goods, including online, with the knowledge that the goods are stolen, they are culpable of fostering the sale of stolen goods. The budget classifies fostering the sale of stolen goods for the purposes of financial gain as a Class A misdemeanor.

## **Artificial Intelligence**

### **NYS Empire State AI Research Program**

The budget includes \$250 million to establish an AI research program at the University at Buffalo. Labor standards and protections include PLA on construction; and collective bargaining, layoff, and civil service protections for public employees.

### **AI Deceptive Practices Act**

The enacted budget includes individuals' likenesses and voices in privacy protections, and creates a cause of action to seek judicial relief from digitally created or altered still or video images. The budget also requires disclosure of the use of digitally created or altered political materials.

## **TDI Increase and Indexation**

The budget does not include an increase and indexation of the temporary disability insurance (TDI) benefit that was in the initial proposed budget.

## **Labor Program Funding**

### **WDI Funding**

The Legislature approved \$4 million in operating assistance, \$2.5 million for the manufacturing initiative, and \$750,000 for the NYS Building Trades WDI Statewide Pre-Apprenticeship Program.

### **Cannabis Workforce Initiative**

The Legislature approved \$3.025 million for this program operated by Cornell ILR and WDI.

### **Cornell University ILR Funding**

The Legislature appropriated \$300,000 for the Cornell University ILR Worker Institute; \$300,000 for the NYS AFL-CIO/Cornell University ILR Union Leadership Institute; \$150,000 for the Cornell University ILR Sexual Harassment Prevention Program; \$150,000 for the Cornell University ILR Domestic Violence Program; and \$3 million for the Cornell University ILR Labor Leading on Climate Jobs Initiative.

### **Occupational Health Clinic Network**

After flat funding for generations, the Legislature appropriated an additional \$5 million for the Occupational Health Clinic Network, bringing total funding to \$15 million.