



NEW YORK STATE SUPREME COURT OFFICERS ASSOCIATION

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I.L.A. - A.F.L. - C.I.O.

2016/2017 NYS BUDGET – Direct and Indirect Impact

The NYS budget finally came together in agreement late Thursday (3/31). Governor Cuomo announced that he had three way consensus with both branches of the legislature and would be printing final bills through the night. Since the process could not be completed before the end of the fiscal year at midnight the budget will be technically late, although full passage is expected on Friday (4/1).

Initially proposed in the executive budget were numerous items that we were very concerned with. We worked very hard to eliminate or minimize these concerns. There were also some positive pieces of the original Executive proposal that we supported and tried to shape to best fit our agenda.

The following list details major components of the agreed upon budget. This is not a complete list as the documents are still being printed and reviewed by all parties involved. The entire budget legislation consists of well over 5,000 pages of legislation which we will analyze in depth as time allows.

FAMILY MEDICAL LEAVE

The State Senate mitigated the impact of the original proposal to some of the following highlights of the agreed upon version.

- All employees will be entitled to 12 weeks of Family Medical Leave every 12-month period.
- Public Employees have been included by making this a mandatory subject of bargaining with the ability to invoke “impact” if a current collective bargaining agreement is in

place.

- The employee must be employed at least four weeks prior to the initial use of Family Medical Leave.
- Rate of pay will be 50% of salary, but not to be higher than 50% of the annual NYS average salary.
- The rate of pay will gradually increase to a cap of 67% of salary, but no higher than 67% of the annual NYS average salary.
- The cost of this leave will come from a new NYS paycheck levy of \$1 per week from every employee.
- The act will not be effective until January 1st 2018.
- There are numerous details still emerging regarding this policy, and we will update the information as it becomes available.

WORKER'S COMPENSATION

The initial executive budget had proposed extreme changes to the current Worker's Compensation system. The most troubling of those proposals was the elimination of independent Administrative Law Judges (ALJs) and their replacement by Appointees, appointed by a board controlled by the Governor.

The final agreement is under review by our legal team, but the original impact has been significantly reduced and the employee's rights to Worker's Compensation preserved.

The legal details will be provided in a separate analysis.

RETIREE – HEALTH INSURANCE

The initial executive budget proposed a new vesting type system on State Employees who were eligible for retirement. Basically the proposal reduced the health benefits upon retirement in an inverse proportion to the amount of service time upon retirement. In other words, if you were retirement age eligible but with minimal time beyond the vesting requirement your health care portion would be significantly higher, as much as 60% higher at the lowest levels.

We are happy to report that this proposal was stricken entirely from the final budget. Although this proposal did not advance, it will now be legislation that will appear again. We must monitor

and be vigilant against this and similar legislation.

MILITARY BUYBACK EXPANSION

Last year the Governor vetoed legislation that would have expanded the opportunity for public employees to buy back a portion of their active duty military service time. The veto message explained that the funding for this expansion was not included in last year's budget and therefore had to be vetoed. The State Senate included this expansion in their initial proposed budget for 2016/2017.

Despite long negotiations and attempts at mitigating the overall costs to the pension systems, the legislation was omitted in its entirety in the final budget.

Standalone legislation is currently being advanced in both houses as a result of the proposal being taken out of the budget.

BINDING ARBITRATION

For eligible units that have binding arbitration as part of the dispute resolution process, the law typically has a three-year sunset provision. The current law would have expired on 7/31 of this year. Normally the renewal legislation is a standalone bill that must be passed on its own merits. The initial executive budget had included the renewal for three more years the Taylor law provision which includes binding arbitration, expiring on 7/31/19.

This proposal was included in the final budget agreement, unchanged.

INDEPENDENT PROSECUTOR / INDEPENDENT MONITOR

The initial executive budget proposal included a provision to formulate an independent prosecutor for deaths as a result of police/peace officer action. It expanded upon the executive order signed last year giving the Attorney General the power to investigate and if needed prosecute these incidents. The proposed legislation expanded this process and granted to the power to a prosecutor appointed by the governor.

The assembly proposal expanded the provision to also include a permanent independent monitor to oversee all police/peace officer allegations of misconduct throughout the state.

This proposal was omitted in its entirety from the final budget agreement.

MACRO- ECONOMIC ISSUES

The final budget agreement also included many economic changes that will have potential impact on collective bargaining going forward.

Some of the major economic changes include;

- Minimum Wage increase – a complicated, location based, gradual increase of the NYS minimum wage.
- GEA Elimination – The Gap Elimination Adjustment, was legislation passed during the recent recession to save the state money regarding to school funding. The elimination of the GEA indicated fiscal strength and to a degree, economic recovery.
- Cost shifting of approximately \$250 million dollars in Medicaid spending to NYC
- Overall increase of approximately 2% from last years budget. The total budget for 2016/2017 is approximately \$155 Billion.
- Reduction of 1% of State income tax to New York resident earning less than \$300,000 (per couple).

Although the budget has been agreed to and will shortly be voted in, details will be emerging and will be analyzed in the upcoming days and further details will be reported.