

## REBUILDING THE PUBLIC SECTOR WORKFORCE

The Executive Budget provides \$18.8 million to rebuild New York State’s government workforce through critical initiatives to be administered by the Department of Civil Service and the Office of General Services. This necessary investment is being made as the state workforce is facing a shortage of more than 12,500 workers, with more than 26 percent of the state workforce eligible to retire within the next five years.

Essential measures to rebuild the State’s workforce will include:

- **Continuous Recruitment.** This initiative will allow agencies to continuously recruit for a variety of titles, add to the pool of qualified candidates at more regular intervals, and create a more efficient and modernized exam process. Continuous recruitment exams offered on an ongoing basis will be held via a hybrid of online training and experience exams, multiple choice exams via remote proctoring (online), and computer-based testing centers.
- **Modernizing the Civil Service Pay Structure.** This initiative will modernize the Civil Service pay structure through the development of a new job evaluation system for all job titles in civil service that will better meet the needs of employers and the current job market. The new, modernized system will take into consideration pay equity requirements when analyzing jobs to ensure fairness across all titles and put the State’s employees on a level playing field with the private sector.
- **Centers for Careers in Government.** This initiative will establish strategically located Centers for Careers in Government across New York State where on-site civil service specialists will serve as direct liaisons between the Department of Civil Service, New York State agencies, regional educational institutions, community-based organizations, and jobseekers. The centers will be responsible for communicating all available New York State government employment opportunities to stakeholders, as well as working closely with Executive Branch State Agencies to facilitate ongoing outreach and recruitment activities to promote these regional opportunities.
- **Public Service Matters Campaign.** The Public Service Matters campaign will be coordinated across state agencies to spotlight New York’s tradition of excellence in public service, while highlighting the diverse opportunities available across state government — and the benefits of employment with New York State. Using enhanced marketing materials, efforts will include both digital and print multilingual ads to reach a young and diverse audience.
- **Expand Nurses For Our Future.** The Nurses For Our Future Scholarship Program will be expanded in FY 2024, strengthening the commitment to continuously grow the New York State Health Care Workforce by addressing the critical nursing shortage facing our health care sector and state agencies. The expanded scholarship program will require recipients to commit to work in a nursing position within New York State for a set period after graduating to encourage the next generation of nurses to begin a rewarding career in either New York State government or the private sector. The scholarship program will support tuition costs for nursing students at either a public or private college or university.
- **Modernizing State office buildings owned and leased by the Office of General Services.** This initiative will establish a study and pilot projects to modernize and update state office buildings to facilitate hybrid work schedules, while increasing collaboration and productivity. The reconfiguration of spaces to compliment a hybrid workforce promotes the culture of the tenant agency and the health and satisfaction of New York State employees.

## STATE WORKFORCE INVESTMENTS

While acting to rebuild the State's workforce, the Executive Budget will provide staffing investments to reinforce careers and public services in several agencies, including, but not limited to:

- **Division of State Police.** In support of increased State Police member strength by holding two additional academy classes. Also includes additional Community Stabilization Units (CSUs), cyber security analysts focused on internet crimes against children, and an expanded presence on federal task forces on violent crime.
- **Office of Mental Health.** Develop staff to support the opening of 150 new state-operated inpatient beds as well as growing the mental hygiene workforce.
- **Office of Parks, Recreation and Historic Preservation.** In support of a new Park Police Academy class, the Bond Act, the Empire State Trail, park administration and site operations.
- **Department of Environmental Conservation.** Workforce investment in the Department of Environmental Conservation will support numerous efforts to protect our beautiful state and the health of residents, including, the Bond Act, the Climate Change and Community Protection Act, the Cap-and-Invest Program, the Waste Reduction and Recycling Infrastructure Act, the administration of municipal grant program to investigate and remediate polyfluoroalkyl substances (PFAS), and the management of federal funding.
- **Department of Motor Vehicles.** Reinforcing Department of Motor Vehicles staff will support the Transformation initiative; the Governor's Traffic Safety Committee; and Commercial Driver's License, Clean Air, and Cannabis Management programs.
- **Department of Corrections and Community Supervision.** In support of major public health and safety initiatives and investments to drive down gun violence and violent crime.
- **Board of Elections.** In support of the implementation of the Public Finance Campaign program, which went into effect on November 9, 2022, as well as Election Law enforcement and overall agency operations.

## STATE WORKFORCE FIVE-YEAR FTE TREND

REBUILDING THE STATE WORKFORCE						
STATE WORKFORCE CATEGORY	YEAR-END ACTUAL 3/31/2020	YEAR-END ACTUAL 3/31/21	YEAR-END ACTUAL 3/31/2022	YEAR-END ESTIMATE 3/31/2023	YEAR-END ESTIMATE 3/31/2024	YEAR-TO-YEAR CHANGE
Subject to Direct Executive Control	118,193	111,230	106,690	119,079	120,734	1,655
University Systems	61,023	59,853	58,256	59,536	59,536	0
Independently Elected Agencies	4,499	4,476	4,394	4,634	4,790	156
<b>GRAND TOTAL</b>	<b>183,715</b>	<b>175,559</b>	<b>169,340</b>	<b>183,249</b>	<b>185,060</b>	<b>1,811</b>

### COLLECTIVE BARGAINING

In FY 2023, the State reached a collective bargaining agreement with the Civil Service Employees Association through FY 2026 and commenced negotiations with several state unions for successor agreements. The State's contract with United University Professions expired at the end of AY 2022 and the contracts with all other unions will expire at the end of FY 2023.

The CSEA agreement provides annual 3% salary increases from FY 2024 to FY 2026, a one-time bonus payment of \$3,000, and changes in longevity. It also includes changes in the health insurance program that will encourage in network employee utilization to help control health insurance costs.

### HEALTH CARE AND MENTAL HYGIENE WORKER BONUS FOR STATE EMPLOYEES

The Health Care and Mental Hygiene Worker Bonus Program continues to incentivize and reward direct-care, frontline state employees through FY 2024. Bonus amounts are commensurate with the number of hours worked by employees covered by the program during two designated vesting periods. A qualifying employee may receive \$1,500 per vesting period, not to exceed \$3,000 per covered worker. Approximately 37,000 state employees received a bonus payment in FY 2023.

### EXPANDING ACCESS TO PAID PARENTAL LEAVE

Despite the well-documented positive benefits of paid parental leave to maternal and infant health, as well as family economic security and workforce retention, the United States is the only developed country in the world without a national paid parental leave policy. New parents and caregivers depend on a patchwork of various federal, state, and local leave policies, in addition to any employer-sponsored benefits.

Parents should never have to choose between a paycheck and caring for their child. As a result, the State will build on the progress of New York's Paid Family Leave law by taking steps to offer State employees 12 weeks of fully paid parental leave to use for bonding with a newborn, fostered, or adopted child. The Governor will direct the Office of Employee Relations to institute this policy for all unrepresented employees as soon as possible and will engage state unions to make progress toward this goal through collective bargaining.

### INDEXING THE MINIMUM WAGE

The Executive Budget proposes to automatically increase the minimum wage to keep pace with inflation for hundreds of thousands of New York's State workers, including state employees by administrative extension.

Indexing the State's minimum wage to inflation will ensure that the purchasing power of workers' wages are not eroded year over year. After reaching \$15 per hour, each region's minimum wage will increase

consistent with the year-over-year Consumer Price Index-W for the Northeast Region, the best measure of inflation in our region. To ensure that no single-year increase would threaten employment, annual increases would be capped, and an “off-ramp” would be available in the event of certain economic conditions.

## EMPLOYEE FRINGE BENEFITS AND FIXED COSTS

The State provides a variety of fringe benefits to its current and former employees, including health insurance, pensions, payment of the Social Security payroll tax and workers’ compensation coverage for injured workers. Fixed costs include payment in lieu of taxes to the City of Albany for the Empire State Plaza and taxes on other state-owned land, as well as payments for judgments / settlements against the State under the Public Officers Law and in the Court of Claims.

All Governmental Funds spending is projected to remain flat due to an additional \$600 million deposit in the Retiree Health Benefit Trust Fund (RHBTFF) in FY 2023, illustrated in the following table.

- **NYSHIP.** The decline in spending a result of a \$600 million deposit to the Retiree Health Trust Fund that was scheduled in later years. This one-time increase in FY 2023 was in excess to the year over year increases in anticipated medical inflation and increased utilization in non-essential procedures that were postponed during the pandemic.
- **Pensions.** Higher costs are reflective of the increase in the employer contribution rates due to the State Comptroller’s actuarial adjustments within the New York State and Local Retirement System, higher salaries, and the annual cost of living adjustment.
- **Social Security Payroll Tax.** The increase reflects general salary increases pursuant to the recent collective bargaining agreements and current spending trends.
- **All Other.** Workers’ Compensation, other fringe benefits and fixed costs reflect wage and property tax increases, and current spending trends.

<b>SUMMARY OF ALL FUNDS FRINGE BENEFIT AND FIXED COST SPENDING</b>				
<b>CATEGORY</b>	<b>FY 2023 (MILLIONS OF DOLLARS)</b>	<b>FY 2024 (MILLIONS OF DOLLARS)</b>	<b>DOLLAR CHANGE (MILLIONS OF DOLLARS)</b>	<b>PERCENT (%)</b>
NYSHIP	5,922	5,550	(372)	(6.3)
Pensions	2,087	2,287	200	9.6
Social Security	1,136	1,177	41	3.6
Workers’ Compensation	560	628	68	12.1
Other Fringe Benefits / Fixed Cost	731	770	39	5.3
<b>TOTAL</b>	<b>10,436</b>	<b>10,412</b>	<b>(24)</b>	<b>(0.2)</b>

## **PROPOSED EXECUTIVE BUDGET ACTIONS**

### **Provide a Market Rate of Interest on Court Judgments**

The Executive Budget proposes a variable market-based interest rate on court judgments paid by public and private entities, which will provide relief for local governments and lower state taxpayer costs. The market-based interest would be the weekly average one-year constant maturity treasury yield, which is the same rate utilized by the Federal court system. Currently, the interest rate on judgments is established at a fixed rate of as much as 9 percent annually. A prevailing market rate will help ensure that neither side in a lawsuit will be disadvantaged by an interest rate that is above or below what otherwise could be earned while cases are being adjudicated.

### **Waive the Income Cap for Retired Teachers and School Workers**

The Executive Budget will continue to incentivize retired teachers and other school workers to rejoin the workforce by extending the waiver of the income limit for retirees for one year. As part of last year's Enacted Budget, the income waiver, which is set to expire this year, was intended to temporarily alleviate the workforce challenges facing many school districts.

