



# **STATE WORKFORCE**



The State Workforce continues to experience growth toward optimum levels due to continued strategic efforts including successful collective bargaining, streamlining opportunities through the Hiring for Emergency Limited Placement Statewide (HELPS) program, and the elimination of the Salary Withholding Program. These strategic efforts have improved the State workforce, which has grown by nearly 5,000 Full Time Equivalent (FTE) employees since the end of the last Fiscal Year.

The Executive Budget builds on this progress by extending the HELPS program, continuing the waiver of Civil Service Examination fees, establishing an optional payment for new State employees during the traditional new employment payroll lag period, transforming the Civil Service merit system, and building on other investments to recruit new talent to public service.

talented workforce, and continuing to staff Centers for Careers in Government across the State.

Additionally, the Executive Budget provides resources to reimagine the Merit System by establishing the Merit Systems Help Desk, which will serve as a resource to State and local government officials to navigate the Civil Service system. It further provides resources to develop a new Jobs Portal and Application Tracking system to transform the Merit System.

**ESTABLISH AN OPTIONAL PAYMENT FOR NEWLY HIRED STATE EMPLOYEES**

In today’s ultra-competitive labor market, requiring employees to wait 28 days for their first paycheck is not feasible. This solution offers an optional payment for employees, equivalent to a first paycheck, providing a way to alleviate some of the financial stresses faced by New Yorkers.

STATE WORKFORCE CATEGORY	YEAR-END ACTUAL 3/31/22	YEAR-END ACTUAL 3/31/23	YEAR-END ACTUAL 3/31/24	CURRENT ACTUALS 12/31/2024	YEAR-END ESTIMATE 3/31/25	YEAR-END ESTIMATE 3/31/26	YEAR-TO-YEAR CHANGE
Subject to Direct Executive Control	106,690	108,080	111,267	114,317	122,159	124,618	2,459
University Systems	58,256	59,023	61,019	62,503	62,656	62,656	0
Independently Elected Agencies	4,394	4,319	4,299	4,648	4,885	5,087	202
<b>GRAND TOTAL</b>	<b>169,340</b>	<b>171,422</b>	<b>176,585</b>	<b>181,468</b>	<b>189,700</b>	<b>192,361</b>	<b>2,661</b>

**RECRUIT NEW TALENT TO PUBLIC SERVICE CAREERS AND TRANSFORM THE CIVIL SERVICE MERIT SYSTEM FOR THE FUTURE**

Since 2023, the HELPS program has improved efficiency in State government staffing, grown the State workforce, and allowed for 20,000 appointments. The Executive Budget works to build on this success by providing the necessary resources to extend the HELPS program through June of 2026.

The Executive Budget will build on these successes by continuing to waive Civil Service exam fees through June of 2026, continuing the Public Service Matters Marketing Campaign, expanding the continuous recruitment of a diverse, inclusive, and

The Executive Budget advances legislation to alleviate delays associated with current payroll processes. Employees hired on or after July 1, 2026, will have the option to receive an estimated first paycheck, rather waiting 28 days for their first payment. Such payment will be pursuant to agreements with the labor unions representing Executive Branch State employees, and the election of the Judiciary and Legislature for employees under their purview. This payment would then be recouped over the next fourteen pay periods.

## STATE WORKFORCE INVESTMENTS & EFFICIENCIES

The Executive Budget will provide staffing investments to reinforce careers and public services in several agencies.

Below is a list of selected agencies where the Executive Budget proposes additional workforce investments.

**Office of Mental Health.** To support the recruitment and retention of the mental health workforce and support new programs.

**Department of Corrections and Community Supervision.** To support increased security measures and to reflect facility staffing levels statewide.

**Office of Information Technology Services.** To support cyber security initiatives and Tax Modernization.

**Office of General Services.** To support the conversion of temporary positions to permanent as well as staffing for essential programs.

**Office of Temporary and Disability Assistance.** To support the continuation of Fair Hearings.

**Division of Human Rights.** To support agency operations, including managers and investigators.

**Department of Agriculture and Markets.** To support food safety, the RAPID Act, and other initiatives.

**Department of Civil Service.** To support recruitment and retention, the extension of the HELPS program, and other initiatives.

Several agencies will also benefit from workforce investments in the budget, including, but not limited to the Department of Environmental Conservation, the Office of Parks, Recreation and Historic Preservation, the Department of Financial Services, the Division of Criminal Justice Services, the Department of Public Service, and Alcoholic Beverage Control.

## COLLECTIVE BARGAINING

In FY 2025, the State reached collective bargaining agreements with several State employee unions including the New York State Police Benevolent Association, Council 82 Security Supervisors, and the State Trooper Police Benevolent Association, and is actively negotiating successor agreements with other unions representing State employees whose contracts are now expired.

The settled agreements provide annual 3% salary increases, a \$3,000 bonus payment, and changes to the health insurance program that will encourage in-network employee utilization to help control health insurance costs.

Coupled with the prior-year agreements with the Public Employees Federation and United University Professionals, and the extension of provisions to unrepresented employees, the State has reached agreement with over 99% of the unionized workforce through FY 2026.

## EMPLOYEE FRINGE BENEFITS AND FIXED COSTS

The State provides a variety of fringe benefits to its current and former employees, including health insurance, pensions, and payment of the Social Security payroll tax and workers' compensation coverage for injured workers. Fixed costs include a 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 and settlements against the State under the Public Officers Law and in the Court of Claims.

All Governmental Funds spending is projected to increase in FY 2026 by \$554 million as illustrated in the following table.

SUMMARY OF ALL FUNDS FRINGE BENEFIT AND FIXED COST SPENDING				
CATEGORY	FY 2025 (MILLIONS OF DOLLARS)	FY 2026 (MILLIONS OF DOLLARS)	DOLLAR CHANGE (MILLIONS OF DOLLARS)	PERCENT (%)
NYSHIP	5,163	5,386	223	4.3%
Pensions	2,359	2,540	181	7.7%
Social Security	1,132	1,183	51	4.5%
Workers' Compensation	554	627	73	13.2%
Other Fringe Benefits / Fixed Costs	730	756	26	3.6%
<b>Total</b>	<b>9,938</b>	<b>10,492</b>	<b>554</b>	<b>5.6%</b>

**New York State Health Insurance Program**

**(NYSHIP).** The increase in spending reflects medical inflation including the rising cost of prescription drugs. These increases are partially offset by certain benefit design changes achieved through the Collective Bargaining process. These changes sought to address the high cost of certain services with a shared goal of making health insurance more affordable for all participants.

**Pensions.** Changes in the pension estimate reflect the recurring prepayment of the State’s annual pension obligation in the year prior to it being due. This action results in a recurring \$121 million in interest savings throughout the Financial Plan.

**Social Security Payroll Tax.** The increase reflects general salary increases pursuant to the recent collective bargaining agreements, as well as the continued growth in the State workforce.

**All Other.** Workers’ Compensation, other fringe benefits, and fixed costs reflect wage and property tax increases and current spending trends.

**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. This change would result in an estimated savings of \$2.5 million in FY 2026 and FY 2027.

**Eliminate Subsidy for the Medicare Part B Income-Related Monthly Adjustment Amount and Create an Annual Premium Refund for Certain State Retirees**

To limit costs to the Medicare program, the Federal government requires higher-income retirees to pay a greater share of Medicare Part B premium expenses. These additional expenses are known as the Income-Related Monthly Adjustment Amount (IRMAA). In 2025, these IRMAA expenses are imposed on retirees with an annual income of \$106,000 or higher (\$212,000 or higher for joint filers) and range from \$74 to \$444 per month. Currently, the State fully reimburses retirees for the value of Part B IRMAA expenses.