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Chairman
Walter L. Harris

November 22, 2022

Vice Chairs
Jacob Elghanayan
William Floyd
Marissa Shorenstein

The Honorable Kathy Hochul
Governor of the State of New York
NYS State Capitol Building
Albany, NY 12224

Secretary
Kent Hiteshew

Treasurer
David Javdan

Dear Governor Hochul:

General Counsel
Edward Wallace

The Citizens Budget Commission (CBC) urges you to veto 20 bills when they are delivered to you because they enhance benefits and increase costs to New York State and local governments outside of the budget process, without enhancing services or finding offsetting savings.

Executive Committee
Paula Dagen
William Floyd
Robert Høglund
Caswell Holloway IV
Anthony Mannarino
Richard Roberts
Carol Rosenthal
Jamie Rubin
Merryl Tisch
Alair Townsend

These 20 bills, detailed below, passed both houses of the Legislature this year; 12 would enhance pension benefits, 6 would expand disability or death benefits, and 2 would grant other benefits. Fifteen bills have fiscal notes attached that estimate costs of \$78.6 million immediately and \$21.0 million annually thereafter. The remaining five bills lack fiscal notes, even though each certainly has a fiscal impact and would further increase costs by an unknown amount.

Honorary Chairs
Lawrence Buttenwieser
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Granting targeted benefit enhancements not only increases costs, but also may encourage further expansions that also increase the public's costs. The number of benefit sweeteners passed by the Legislature has been increasing: from 2018 to 2022 the annual count of sweeteners has grown from 12 to 20 bills. Furthermore, the lack of a complete fiscal note for five bills is sufficient basis for vetoing these bills, notwithstanding the other grounds.

President
Andrew S. Rein

CBC recommends that the following bills be vetoed.

Pension Benefits: Twelve bills expand eligibility and/or pension benefits for public employees:

- S4523/A6457 would establish a 20-year retirement plan for certain State law enforcement positions, including every non-seasonally appointed sworn member or officer in the Department of Environmental Conservation, the regional State park police, and university police officers. The cost of this bill is an estimated \$55.6 million in immediate past service costs followed by annual costs beginning at \$14.5 million. Two previous versions of this bill were vetoed, S4523/A6457 (veto no. 77) and S5207/A4431 (veto no. 275) in 2021 and 2019, respectively.
- S8401/A9581 would extend to Tier 6 members of the Police and Fire Retirement system a one-year final average salary calculation if their locality had maintained a one-year final average salary calculation prior to enactment of Tier 6. The cost of this bill is an estimated \$15.2 million in immediate past service costs followed by annual costs beginning at \$3.1 million.
- S6985B/A7873A would amend the pension structure of vested automotive members of the New York City Employees' Retirement System, permitting them to collect pension benefits prior to completing 25 years of service if they are 62 years of age with at least 10 years of service, 63 years of age with 8 years of service, 64 years of age with 6 years of service, or 65 or more years of age with 5 years of service. The cost of this bill is an estimated \$3.9 million annually.
- S8682/A9440 would establish a 25-year retirement plan for Deputy Sheriffs in Monroe County. The cost of this bill is an estimated \$199,000 in immediate past service costs followed by \$26,000 annually thereafter.
- S9327/A10360 would allow Tier 3 and 3R members of the New York City Police Pension Fund to borrow against their contributions to the Fund. The cost of this bill is an estimated \$3.3 million annually.
- S6980B/A10029 would allow Tier 3 members of the New York City Fire Pension Fund to receive service credit for prior employment as an emergency medical technician. The cost of this bill is an estimated \$3.2 million annually.
- S6981B/A7971A would exempt members of the New York City Employees' Retirement System or Board of Education Retirement System in certain physically taxing titles from required additional member contributions if they will not reach

25 years of service prior to 57 years of age. The cost of this bill is an estimated \$931,000 annually.

- S6988B/A7962A would establish a 25-year retirement plan for fire protection inspectors who are members of the New York City Employees' Retirement System. The cost of this bill is an estimated \$290,000 annually.
- S5557A/A7383A would allow police officers of the New York City Department of Environmental Protection to transfer service credit to the New York State and Local Police and Fire Retirement System. This bill does not include an estimate of the total cost of implementation.
- S8959/A4460A would allow State University of New York (SUNY) registered nurses in the Professional, Scientific, and Technical bargaining unit, who first became employed by SUNY Stony Brook Hospital between January 1, 1996 and December 31, 1999, to terminate membership in the Optional Retirement Program and join the New York State and Local Employees' Retirement System. Employees electing this option would pay the entire past service cost, and the State would be responsible for new pension contributions for all impacted employees going forward. This bill does not include an estimate of the total cost of implementation. Two previous versions of this bill were vetoed, S6435B/A8402A (veto no. 286) and S6110/A8008 (veto no. 283) in 2018 and 2019, respectively.
- S9296/A7184A would allow retired members of the New York State Teachers' Retirement System to suspend their retirement, return to work, and have the option of a benefit recalculation after working at least two years of additional service. This bill does not include an estimate of the total cost of implementation.
- S7162C/A7914C would authorize continuation of a State Police member's pension credit during absences due to maternity or paternity leave. This bill does not include an estimate of the total cost of implementation.

Disability and Death Benefits: Six bills would enhance disability and/or death benefits for public employees:

- S6619B/A7730A would raise the age at which ordinary death benefits are reduced from 61 to the full retirement age (either 62 or 63, depending on membership tier) for active employees of the New York State and Local

Retirement System and the New York State Teachers' Retirement System. The cost of this bill is an estimated \$3.6 million in immediate past service costs followed by annual costs beginning at \$1.0 million.

- S8559/A9666 would provide the option for employers to provide an accidental disability retirement benefit for deputy sheriffs in the amount of three-quarters of the deputy sheriff's final average salary. The cost of this bill is an estimated \$2.5 million in immediate past service costs followed by annual costs beginning at \$503,600. A previous version of this bill (S6092/A4392) was vetoed in 2021 (veto no. 70). Another previous version of this bill (S8066/A10415) was vetoed in 2018 (veto no. 366).
- S1889C/A4084C would add diseases of the heart as a presumptive condition for death benefits and would increase the calculation of final average salary for disability benefits for fire protection specialists of the Division of Homeland Security and Emergency Services. The cost of this bill is an estimated \$749,000 in immediate past service costs followed by annual costs beginning at \$170,000.
- S8448/A9670 would extend “death gamble” benefits to correction officers in Westchester County who work beyond their full retirement age, but pass away before taking retirement. This benefit provides the full value of the employee’s pension benefits to their family, if the employee passes away before taking retirement. The cost of this bill is an estimated \$681,000 in immediate past service costs followed by annual costs beginning at \$93,000.
- S8584/A9738 would modify the calculation of in-service death benefits for fire marshal employees in the New York State and Local Employees’ Retirement System in Tiers 3 through 6. The cost of this bill is an estimated \$58,700 in immediate past service costs followed by annual costs beginning at \$5,900.
- S8399/A6365A would increase eligibility for accidental disability retirement benefits for uniformed court officers and peace officers. This bill does not include an estimate of the total cost of implementation. Previous versions of this bill were vetoed each year from 2014 through 2019.

Other: Two other bills would provide other benefits for public employees:

- S8210/A4080 would extend salary protection to certain employees, preventing a reduction in salary for temporary or provisional employees whose positions are

reclassified and to permanent employees making lateral transfers. This bill is not accompanied by any fiscal estimate.

- S8192/A9215 would require that skilled nursing service benefits are not reduced when retirees are enrolled in Medicare. This bill is not accompanied by any fiscal estimate.

Thank you for your consideration of our position. We are available to discuss these issues at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Rein", enclosed within a blue oval. The signature is stylized and includes a horizontal line extending to the right.

Andrew S. Rein
President
Citizens Budget Commission