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Chairman

Walter L. Harris ~ .

October 4, 2021

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President Andrew S. Rein

Edward Skyler

Albany, New York 12224

Dear Governor Hochul:

The Citizens Budget Commission (CBC) urges you to veto S4719A/A1414A, as well as 20 other bills when they are delivered to you.

These 21 bills passed both houses of the Legislature this year, and each would enhance pension or disability benefits, or grant other benefits, without providing enhanced services to New Yorkers or offsetting savings. Of the 21 bills, 15 have fiscal notes attached. The estimated costs of those with fiscal notes total \$64.1 million immediately and \$7.8 million annually thereafter. The 6 bills that lack fiscal notes would increase costs by an unknown amount.

CBC recommends you veto these bills because they enhance benefits and increase costs to New York State and local governments outside of budget negotiations and/or collective bargaining processes.

Granting targeted benefit enhancements not only increases costs, but also may encourage further expansions. The number of benefit sweeteners passed by the Legislature appears to be increasing. In 2018, CBC recommended a veto of 12 such "sweetener" bills, of which the governor vetoed all 12. In 2019, CBC recommended veto of 18 sweetener bills, of which the governor vetoed 15. Some of these previously vetoed bills have been re-introduced and passed this year.

CBC recommends that the following bills be vetoed:

Pension Benefits: Five 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 (DEC), the regional state park police, and university police officers. The cost of this bill is estimated at \$48.2 million in the first year and \$4.7 million annually thereafter. A previous version of this bill (S5207/A4431 of 2019) was vetoed (veto no. 275).
- S4859/A6062 would establish a 25-year retirement plan for firefighters and training and safety officers in the New York State Division of Military and Naval Affairs. The cost of this bill is estimated at \$2.1 million in the first year and \$240,000 annually thereafter.
- S6569/A6662 would enhance benefits for teachers who retired prior to July 1, 1980. The cost of this bill is estimated at \$192,000 annually.
- S6690/A7464 would require New York City paraprofessionals to join the Teachers Retirement System. Currently, membership is optional. This bill would increase annuals costs, beginning at \$9.5 million in first year. A previous version of this bill (S5905A/A7874A of 2019) was vetoed (veto no. 279).
- S6976/A7727 would eliminate the requirement to reach 50 years of age in the NYCERS 20/50 plans for Triborough Bridge and Tunnel Authority employees. This bill would increase annual costs, beginning at \$1.6 million in first year.

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

- S1318A/A1324A would increase weekly disability benefits for volunteer firefighters injured on or after July 1, 2021. There is no fiscal estimate attached to this bill.
- S3101/A6500 would grant any chief fire marshal, assistant chief fire marshal, division supervising fire marshal, supervising fire marshal, fire marshal, and fire marshal trainee an enhanced disability benefit for injuries sustained in the performance of duty. The benefit for a performance of duty disability would be 50 percent of final average salary (FAS). The cost of this bill is estimated at \$154,000 in the first year and \$27,000 annually thereafter. A previous version of this bill (S3813/A5820 of 2019) was vetoed (veto no. 263).
- S3759/A6511 would establish a death benefit for deputy sheriffs employed by Nassau County. This bill would have a one-time past service cost of \$67,300 and increase annual costs thereafter, beginning at \$5,000 in the first year.



- S4233A/A6461 would include Parkinson's Disease as a presumptive illness for benefits for paid firefighters. This bill would increase annual costs by approximately \$72,600 annually.
- S4408/A6732 would include heart disease, lung disease, and certain forms of cancer as a presumptive illness for disability benefits for airport firefighters and training and safety officers in the New York State Division of Military and Naval Affairs. This bill would have a one-time past service cost of \$672,000 and increase annual costs thereafter, beginning at \$96,000 in the first year. A previous version of this bill (S3801/A4436 of 2019) was vetoed (veto no. 246).
- S4440/A6936 would increase the in-service death benefit for Nassau County correction officers in Tiers 3 through 6 of the New York State and Local Retirement System to be the value of the pension reserve (assuming single life allowance) if the member had retired on the date of their death. This bill would have a one-time past service cost of \$778,000 and increase annual costs thereafter, beginning at \$55,000 in the first year.
- S4441/A7905 would increase the in-service death benefit for Suffolk County correction officers in Tiers 3 through 6 of the New York State and Local Retirement System to be the value of the pension reserve (assuming single life allowance) if the member had retired on the date of their death. This bill would have a one-time past service cost of \$930,000 and increase annual costs thereafter, beginning at \$64,000 in the first year.
- S6710/A7342 would allow sheriffs, undersheriffs, deputy sheriffs, and correction officers to be eligible for performance of duty disability benefits due to the intentional or reckless act of a civilian visiting a county institution. The benefit would be 75 percent of FAS less workers' compensation. Currently, to be eligible for such improved benefit, injuries must be caused by an inmate. This bill would have a one-time past service cost of \$1,270,000 and increase annual costs thereafter, beginning at \$220,000 in the first year. A previous version of this bill (\$3946/A5021 of 2019) was vetoed (veto no. 267).
- S6796/A7620 would authorize a payout for an in-service death benefit at the value of the pension reserve as if the member retired on the date of their death. This bill would have a one-time past service cost of \$384,000 and increase annual costs thereafter, beginning at \$29,000 in the first year.
- S6972/A7817 would include lung disease as a presumptive illness for disability and death benefits for transit workers in New York City. This bill would increase annual costs by approximately \$72,600 annually.
- S7167/A6547 would include heart disease as a presumptive illness for disability benefits for fire marshals in Nassau County. This bill would have a one-time past service cost of \$21,400 and increase annual costs thereafter, beginning at \$5,200 in the first year.



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

- S3537/A4077 would add four transit authorities to binding arbitration provisions. There is no fiscal estimate attached to this bill. A previous version of this bill (S5737/A5342 of 2019) was vetoed (veto no. 227).
- S4308/A4059 would allow retired higher education professionals to make voluntary automatic contributions to their employee organizations, including but not limited to their political committees. There is no fiscal estimate attached to this bill.
- S4719A/A1414A would provide paid leave for members of the civil air patrol. There is no fiscal estimate attached to this bill.
- S4897/A4060 would authorize the Triborough Bridge and Tunnel Authority employee organization to opt into binding arbitration. There is no fiscal estimate attached to this bill. A previous version of this bill (S3918/A5386 of 2019) was vetoed (veto no. 198).
- S4899/A4125 would extend "last hired, first fired" provisions to certain skilled titles not subject to civil services tests. There is no fiscal note provided with this bill, but it would likely increase costs as public employers would be required to retain the longest-tenured employees instead of the most productive. There is no fiscal estimate attached to this bill. A previous version of this bill (S5291/A7248 of 2019) was vetoed (veto no. 222).

Sincerely,

hacher for -

Andrew S. Rein President Citizens Budget Commission

