



## The Organization of New York State Management Confidential Employees

### OMCE TESTIMONY

#### 2025 JOINT LEGISLATIVE BUDGET HEARING ON WORKFORCE DEVELOPMENT

FEBRUARY 26, 2025

On behalf of the members of the Organization of NYS Management/Confidential Employees (OMCE), I thank you for the opportunity to present our views on Executive Budget proposals related to the state workforce.

While there are several areas that concern us, there is a single, common thread that runs through each of these concerns. And that is the need for fair and equitable treatment of Management/Confidential (M/C) employees and retirees particularly with regard to salary and benefits comparability.

Management/Confidential employees, by State Law, are unable to join a union or engage in collective bargaining, and therefore they are not protected by a contract. As a result, they are frequently treated differently than their union represented co-workers - to their disadvantage.

OMCE was formed to serve the 10,000+ M/C employees working for New York State and the Executive Branch, to protect their rights, be their advocate and be their collective voice. Our rich experience in employee relations and advocacy recommends OMCE as a partner to work with the administration as it explores and implements needed improvements to existing Civil Service and human resources systems. In this role, we come to you today to speak on behalf of M/Cs, and to offer the following comments and suggestions regarding government workforce proposals.

The majority of M/C's are civil servants who obtained their positions through competitive examination and who work alongside their union-represented co-workers in institutions, facilities, and agencies. M/C employees often share the same titles as their PEF and CSEA represented colleagues, differentiated from them only by the need for those working in areas such as human resources, labor relations, negotiations, and budgeting, and for those working in a confidential position to managers in these fields, which requires them to be designated M/C. Most are in graded positions from 6 to M-6, not the high-level appointees some imagine. Further, our members are all too familiar with workforce shortages that are exacerbated by retirement trends and the resulting need to attract and retain new employees. Therefore, we welcome positive changes to the State's Civil Service system as it pertains to recruitment and selection as well as compensation.

#### **EXECUTIVE BUDGET PROPOSALS**

The Executive Budget outlines several proposals affecting the State Workforce. In addition, we have outlined a list of priorities/actions needed to obtain comparable compensation and benefits for M/C employees.

**OMCE advocates for the fair and equitable treatment of all M/C employees and recommends the passage of the following legislative proposals:**

**Salary Schedule Parity (S.1722/A.2743)**

This legislation requires that the Salary Grade ranges in the salary schedules of M/C employees be not less than those of comparable Salary Grade ranges in the salary schedules of union-represented and similarly graded positions (Section 130 of Civil Service law). M/C Salary Schedules are structurally inconsistent with Public Employee Federation and Civil Service Employee Association Salary Schedules.

**Salary Increases (S.1750/A.2676)**

Employees designated Managerial or Confidential (M/C) deserve to receive the same salary increases that their union-represented counterparts receive through collective bargaining and without delay. Without this guarantee, the salaries of M/C employees lagged that of other State employees.

**Expanding Longevity Lump Sum Payments to M/C employees above Grade 17 (S.1739/A.2680)**

Longevity lump sum payments, also referred to as “performance awards” are paid to eligible union-represented employees at ALL Salary Grade levels. Such payment is regarded as a seniority premium for those with longer State tenure. By contrast, ONLY M/C employees at or below Grade 17 are eligible to receive this payment. Accordingly, the vast majority of M/C employees will never receive a longevity lump sum payment under the current scheme.

**Sick Leave Accruals**

M/C employees who joined State employment in 1986 or later earn Sick Leave Accruals of 8 days per year rather than the 13 days per year earned by most union-represented coworkers.

**Timely payment of performance advances (steps) for M/C employees**

Union-represented counterparts receive such payments in accordance with time frames delineated in collective bargaining agreements; M/C employees lack such protection and should be paid timely.

**Dental Insurance Stipend**

Employees represented by the Public Employees Federation (PEF) became eligible to receive this premium payment with the ratification of their most recent contract with the State. This premium payment was not extended to M/C employees despite the fact that the majority of M/C employees also are enrolled in the same dental insurance plan.

**Higher Education Differential**

Employees represented by the Public Employees Federation (PEF) became eligible to receive this premium payment with the ratification of their most recent contract with the State. This premium payment was not extended to M/C employees despite the fact that the majority of M/C employees serve in positions that require higher education and/or professional credentials.

**Statewide Location Pay differential for State employees designated managerial or confidential comparable to the federal government's General Schedule Locality Pay**

This bill would introduce an improved Location Pay model on a pilot basis for M/C employees based upon the federal government model.

**Expansion of overtime compensation to State employees in positions up to and including Grade 23**

Current overtime compensation is limited to employees in positions up to and including Grade 22. This change will ensure that more positions will become eligible to receive over-time compensation for work beyond 40 hours per week.

**OMCE Recognition (S.1724/A.1979)**

Last year's bill passed but was vetoed by the Governor. Bill language accommodates suggestions of Senate, Assembly and Administration. Notification of employment or promotion to OMCE foresee representation.

**Support Hearing Officer Decision Final and Binding for M/C's (S.1540/A.3332)**

Provides that the recommendation of a hearing officer in relation to designated M/C employees shall be final and not subject to change or modification.

**Retiree Parity (S.1579)**

Provides for a retroactive parity payment to certain M/C retirees who retired between 4/1/2009 and 3/31/2015, not to exceed \$5,000.

**Protect Health Insurance Benefits of Retirees (S.3607)**

Prevents public employees from diminishing health insurance benefits of retirees.

The Executive Budget states it builds on 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.

### **ELIMINATE SUBSIDY FOR MEDICARE PART B IRMAA**

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 \$419 per month. Currently, the State fully reimburses retirees for the value of Part B IRMAA expenses. The Executive Budget proposes the State mirror the federal government's policy decision to have higher income retirees pay a higher proportion of their health insurance costs by ceasing IRMAA reimbursement. Eliminating this reimbursement will save the State \$12.3 million in the FY 2026 and \$12.9 million in FY 2027. This proposal to eliminate the IRMAA subsidy has been made each year for the past several years and has not been included in the budget. Our thanks to the Legislature for continuing to reject this proposal and we ask you to do so again this year.

- OMCE opposes eliminating the IRMAA subsidy.

### **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.

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 than 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.

- OMCE accepts this proposal, but wonders why the system is not re-designed to pay the first paycheck after 2 weeks which would eliminate the need to recoup the payment over fourteen pay periods.

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

Since 2023, the HELPS program, according to the State, 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 proposals will continue 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 talented workforce and continuing to staff Centers for Careers in Government across the state.

## **TRANSFORM THE CIVIL SERVICE MERIT SYSTEM FOR THE FUTURE**

The Executive Budget provides resources to reimagine the merit system by establishing the Merit System 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 Jobs Portal and Application Tracking System to transform the merit system.

The description of this initiative in the proposed budget leaves much to one's imagination and is not helpful in being able to determine whether the merit system will and can be positively updated and upgraded by "provides resources to reimagine the merit system by establishing the merit system help desk" We cannot assess this proposal without significant additional information on what is actually planned.

## **NY HELP PROGRAM**

This program originally designed as a temporary measure has been extended once and is proposed to be extended again. OMCE has previously expressed concerns about using this process to avoid using competitive exams to determine merit and fitness of potential candidates. We continue to support the statutory/constitutional requirement of competitive examination while at the same time working to ensure our members demands for comparability and parity in compensation and benefits are addressed.

Curtail the Department of Civil Service's HELP initiative allow it to expire in June 2025. The HELP initiative runs counter to the constitutional requirement of an active merit system by allowing many Competitive jurisdictional class titles to be filled without examination OMCE has expressed its concerns about the program to The Department of Civil Service and will continue to do so.

## **ELIMINATING CIVIL SERVICE BARRIERS TO HIRING AND RETENTION**

OMCE understands and appreciates the staffing challenges that State agencies face and fully supports the thoughtful modernization of the exam system and hiring processes. While certain steps have been taken by the administration and the Department of Civil Service, a broader and more inclusive discussion of how the State

of New York must change to meet these challenges should take place. These discussions should include organizations like OMCE and the unions that represent the employees of the State of New York. We suggest that to attract candidates the State should focus on increasing compensation to more closely reflect labor markets, increase location pay to more accurately reflect regional cost of living factors, change the law to allow for sign on bonuses and other premium pay and expand remote work opportunities and more flexible work schedules.

Any amendments to the Civil Service Law that allow agencies to continuously recruit for in-demand titles, add to the pool of qualified candidates at more regular intervals, and create a more efficient and modernized exam process, would be worth exploring – but they must still preserve the constitutional requirements of merit and fitness in employment. Difficulty to recruit for a position, for example, is not grounds to remove a position from the competitive examination process. The Civil Service Law requires that positions can **only** be removed from the competitive class when and where there is justification that a position or positions are impracticable to examine for competitively. Too often this requirement is ignored and jobs are classified as either NC or exempt.

Agencies are increasingly seeking the classification of additional positions in the Exempt and Non-competitive jurisdictional classes to avoid the proper use of Competitive jurisdictional class positions. This has negative impacts. It ignores the constitutional requirement of a merit system, exempt positions are paid without regard to the State's statutory compensation plans, and hires to such positions often lack basic Civil Service job protections and union-representation counter to intent of the Taylor Law which sought to expand union representation to as many State employees as possible.

We urge this administration to avoid expanding exempt and non-competitive jurisdictional classifications that do not meet these requirements. Although such may be easier for agencies, it seriously erodes the merit system on which our New York's civil service system is based. Rather we urge that the state reduce classification of exempt and non-competitive jurisdictional class positions to perform the work of competitive jurisdictional positions – to extend the best possible job protection and union representation to new hires.

This is a long-standing issue of concern to OMCE and one we have included in our Workforce Development testimony over the years. OMCE is a strong supporter of the constitutional requirement – “The New York State Constitution commands competitive examination for and consequently competitive classification of, positions whenever practicable”. We believe the Civil Service Commission should not allow the merit system to be dismantled through the placement of positions outside the Competitive jurisdictional class absent clear, objective justification. In our view this is not happening.

## **EQUAL TREATMENT IN COMPENSATION**

The highest priority for M/C employees is to be treated with the same sense of value, worth, and respect afforded their union counterparts in matters of salary and benefits, but this does not always occur. Some examples:

- Shared sacrifice means that everyone shares in belt-tightening when it is required. However, in the past more burdens were placed on M/Cs than were placed on union represented employees.
- Longevity payments are given to unionized employees at **all salary grade levels**, from Grades 1 through 37. M/Cs receive longevity payments only for Grades 1 through 17.
- Performance Advances are scheduled incremental increases over the first six years of service to reflect advancement in job skills and abilities. It is a promise that with satisfactory performance, an employee's salary will grow within the grade's salary range. As has been done in the past but not proposed in this budget, to withhold these advances from M/Cs but pay them to union-represented employees is neither fair nor equitable.
- Every year the Civil Service Workforce Report clearly demonstrates the salary compression between M/C employees and their subordinates, causing numerous and damaging consequences to the efficient management and provision of services to our NYS citizens.

Together these actions contribute to the inequitable compensation of M/C employees compared to their union-represented co-workers and may negatively affect both recruitment and retention. \*Attached are several examples of M/C salary disparities.

M/Cs constitute 7 ½% of the State workforce, and monies "saved" by withholding salary increases, performance advances, and longevity payments do not significantly impact the State budget, but the negative impact on the dignity and morale of M/C employees who may be singled out for disparate treatment cannot be justified.

The first steps to rectifying this is to:

- A. Implement the same longevity pay program currently applied to CSEA and PEF represented employees to their M/C co-workers in all grade levels.
- B. Although not proposed in this budget, ensure that the State desist from withholding salary increases and other benefits to M/C's when such is not withheld from union-represented employees.
- C. Ensure that general salary increases, longevity payments, and performance advances made to unionized employees are concurrently and equally made to M/C employees.

Included herein is a list of issues and legislative and administrative actions needed to ensure fair and equitable treatment for M/C's. These are the focus of our current activities to achieve comparability for M/C employees.

### **EQUAL TREATMENT IN BENEFITS**

Since January 1986 only M/C employees have been mandated to join the Income Protection Plan (IPP), a short and long-term disability income program, in place of earning sick leave accruals comparable to other State employees. As a result, M/C employees earn eight days of sick leave per year rather than the 13 sick days of most other State employees. Over the course of a 30-year career, M/Cs receive 150 fewer days of sick leave to use for personal illness and for illness of children and other dependents. This also results in a reduction in the sick leave cash value retiring M/C employees can apply to retiree health insurance premiums.

OMCE supports a plan that would allow M/C employees to have a choice between IPP coverage or the 13 days of annual sick leave earned by their union-represented co-workers, and we ask your support to make this happen.

M/C employees constitute over 11,000 active employees and thousands of retirees who have spent their careers in service to the State of New York. They deserve to be treated at least as well as their union-represented counterparts, and not be singled out for disparate treatment just because they do not and cannot have a contract to protect them. Instead, there is a greater need to protect our valuable M/C employees and to consider the needs of M/C retirees. It is fair, it is the right thing to do. And can improve recruitment and retention by showing job seekers that the State is a fair and desirable employer.

We appreciate the Governor's and the Legislature's commitment to revitalizing the State workforce. We thank you for considering our concerns, and we look forward to being your partner in this process.

Barbara Zaron  
President



## M/C Salary Disparities FY 2025/26

### **Example 1: Grade 18**

#### **UNION COMPENSATION**

Administrative Specialist 1, Grade 18  
w/12 years of service and bachelor's degree

Salary at Job Rate: \$85,138

Longevity Pay: \$1,500

Higher Ed Differential: \$600

Union Total: \$87,238

#### **M/C COMPENSATION**

Administrative Specialist 1, Grade 18  
w/12 years of service and bachelor's degree

Salary at Job Rate: \$83,286

Longevity Pay: \$0

Higher Ed Differential: \$0

M/C Total: \$83,286

M/C employee salary penalty: **-\$3,952**

### **Example 2: Grade 23**

#### **UNION COMPENSATION**

Administrative Specialist 2, Grade 23  
w/17 years of service and bachelor's degree

Salary at Job Rate: \$109,650

Longevity Pay: \$3,000

Higher Ed Differential: \$600

Union Total: \$113,250

#### **M/C Compensation**

Administrative Specialist 2, Grade 23  
w/17 years of service and bachelor's degree

Salary at Job Rate: \$108,413

Longevity Pay: \$0

Higher Ed Differential: \$0

M/C Total: \$108,413

M/C employee salary penalty: **-\$4,837**

**Example 3: Grade 25/M-1**

**UNION COMPENSATION**

Supervising Accountant, Grade 25  
w/22 years of service and bachelor's degree

Salary at Job Rate: \$121,413

Longevity Pay: \$4,500

Higher Ed Differential: \$600

Union Total: \$126,513

**M/C COMPENSATION**

Treatment Team Leader (MH), Grade M-1  
w/22 years of service and bachelor's degree

Salary at Job Rate: \$118,388

Longevity Pay: \$0

Higher Ed Differential: \$0

M/C Total: \$118,388

**M/C employee salary penalty: -\$8,125**

**Example 4: Grade 27/M-2**

**UNION COMPENSATION**

Principal Accountant, Grade 27  
w/12 years of service and bachelor's degree

Salary at Hiring Rate: \$106,898

Longevity Pay: \$1,500

Higher Ed Differential: \$600

Union Total: \$1

**M/C COMPENSATION**

Associate Budget Examiner, Grade M-2  
w/12 years of service and bachelor's degree

Salary at Hiring Rate: \$103,870

Longevity Pay: \$0

Higher Ed Differential: \$0

M/C Total: \$103,870

**M/C employee salary penalty: -\$5,128**

**"Job Rate" Comparison between 2024 PEF & M/C**

PEF & M/C Salary Grade	PEF Job Rate	M/C Job Rate	Difference (+/ )
03	\$37,692	\$39,171	\$1,479
04	\$39,450	\$40,948	\$1,498
05	\$41,328	\$42,936	\$1,608
06	\$43,521	\$45,137	\$1,616
07	\$45,864	\$47,580	\$1,716
08	\$48,294	\$50,032	\$1,738
09	\$50,884	\$52,695	\$1,811
10	\$53,708	\$55,620	\$1,912
11	\$56,743	\$58,706	\$1,963
12	\$59,757	\$61,786	\$2,029
13	\$63,169	\$65,219	\$2,050
14	\$66,634	\$68,805	\$2,171
15	\$70,317	\$72,519	\$2,202
16	\$74,135	\$76,388	\$2,253
17	\$78,307	\$80,603	\$2,296
18	\$82,656	\$80,860	-\$1,796
19	\$87,032	\$85,066	-\$1,966
20	\$91,381	\$89,332	-\$2,049
21	\$96,173	\$93,946	-\$2,227
22	\$101,197	\$98,882	-\$2,315
23	\$106,454	\$105,255	-\$1,199
24	\$111,897		
25 (M1)	\$117,875	\$114,940	-\$2,935
26	\$121,360		
27 (M2)	\$127,830	\$127,474	-\$356
28	\$134,178		
29 (M3)	\$140,815	\$141,439	\$624
30	\$147,726		
31 (M4)	\$155,130	\$156,224	\$1,094
32	\$162,796		
33 (M5)	\$170,993	\$173,664	\$2,671
34	\$179,511		
35 (M6)	\$188,178	\$191,427	\$3,249
36	\$197,093		
37 (M7)	\$206,703	\$207,762	\$1,059

\* Numbers **Bolded** represent higher "job rate" salaries

\*\* Red number is the amount PEF is making more than M/C

**"Hiring Rate" Comparison between 2024 PEF & M/C**

PEF & M/C Salary Grade	PEF Hiring Rate	M/C Hiring Rate	Difference (+/ )
03	\$29,147	\$30,639	\$1,492
04	\$30,454	\$31,993	\$1,539
05	\$31,898	\$33,912	\$2,014
06	\$33,607	\$35,351	\$1,744
07	\$35,494	\$37,388	\$1,894
08	\$37,448	\$39,442	\$1,994
09	\$39,534	\$41,695	\$2,161
10	\$41,776	\$43,942	\$2,166
11	\$44,169	\$46,608	\$2,439
12	\$46,648	\$49,068	\$2,420
13	\$49,363	\$51,920	\$2,557
14	\$52,198	\$55,005	\$2,807
15	\$55,152	\$58,066	\$2,914
16	\$58,247	\$61,340	\$3,093
17	\$61,516	\$64,821	\$3,305
18	\$65,001	\$65,164	\$163
19	\$68,523	\$68,660	\$137
20	\$72,032	\$72,160	\$128
21	\$75,850	\$76,051	\$201
22	\$79,928	\$80,138	\$210
23	\$84,156	\$84,246	\$90
24	\$88,639		
25 (M1)	\$93,530	\$90,931	-\$2,599
26	\$98,456		
27 (M2)	\$103,784	\$100,845	-\$2,939
28	\$109,250		
29 (M3)	\$114,976	\$111,925	-\$3,051
30	\$120,984		
31 (M4)	\$127,433	\$123,793	-\$3,640
32	\$134,208		
33 (M5)	\$141,509	\$137,457	-\$4,052
34	\$149,047		
35 (M6)	\$156,773	\$152,191	-\$4,582
36	\$164,652		
37 (M7)	\$173,294	\$167,754	-\$5,540

\* Numbers **Bolded** represent higher "hiring rate" salaries

\*\* Red number is the amount PEF is making more than M/C