

Testimony of Michael Volforte, Director Office of Employee Relations

February 25, 2026

Good afternoon, Chair Krueger, Chair Pretlow, other respected Chairs and honorable members of the Assembly and Senate. My name is Michael Volforte and I am the Director of the New York State Office of Employee Relations. Thank you for the opportunity to speak to you about Governor Hochul's Executive Budget proposal for Fiscal Year 2027 as it relates to our agency and the State workforce.

As we approach the end of this fiscal year and look forward to fiscal year 2027, OER has commenced negotiations with several of our executive branch employee unions for successor agreements. We have already started bargaining with CSEA, PEF, UUP and NYSCOPBA. Governor Hochul's direction is clear: negotiate agreements that are fair to our employees, show respect for the critical work they do, and ensure the continuity of outstanding services for New Yorkers. While it would be inappropriate to speak in detail about ongoing negotiations, I can say that the tone at the outset has been good with all parties and we have gotten into substantive discussions quickly.

Last year, OER undertook or advanced several additional initiatives consistent with the Governor's consistent focus on making life affordable for New York State government's hard-working employees and their families.

In 2025, I reported that OER significantly increased the annual cap on tuition reimbursement programs available to our executive branch employees in multiple bargaining units. In many bargaining units, employees can now be reimbursed for up to \$5,000 of qualifying tuition expenses in a calendar year, with additional money available for certain employee groups such as registered nurses. I am pleased to report that OER has partnered with the Office of the State Comptroller to institute direct deposit for tuition reimbursement and other educational benefits. This speeds up the reimbursement process and makes it easier to ensure that any taxable benefits are subject to appropriate federal withholding as they are disbursed so employees can avoid large end of year withholding amounts that occurred when employees were paid by check with no withholding. Direct deposit is another important step in making these benefits easier to use for employees and we look forward to expanding its use in the coming year.

Over the past year, we have worked extensively with the Office of the State Comptroller and the Division of the Budget to develop the voluntary payroll advance for new executive branch employees as part of last year's budget. This implements the Governor's direction that we mitigate the effect of the lag payroll and does so in a way that minimizes administrative costs and disruptions. We are finalizing the necessary agreements with our union and agency partners to make this available for new employees hired with a start date on or after July 1, 2026.

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Consistent with the Governor's State of the State message and our requested budget, our Office will once again take the lead on providing additional diversity, equity and inclusion training for the State workforce to foster a work environment of inclusivity and continue to move New York forward as an employer of first choice. This year, in collaboration with the State's Chief Disability Officer, OER will roll out video-based training on workplace accessibility issues.

As you all know, our office offers several pre-tax programs that allow eligible employees to use pre-tax dollars for various eligible health care, dependent care and transportation expenses. Last year, members of OER's Employee Benefits Management Unit undertook a campaign to increase employee awareness of these programs and encourage enrollment when employees had qualifying events. Relying on both social media and in person marketing and assistance with online enrollment at selected work locations, this team helped increase enrollments for the Health Care Spending Accounts and Dependent Care Advantage Accounts by 14% and 10%, respectively leading to over 28,000 enrollments in the various programs. We continue to make our pre-tax program even more attractive by allowing individuals to carry over the maximum amount of 2025 funds into 2026 for the Health Care Spending Account and provided for a grace period for our Dependent Care Advantage Account and Adoption Expenses flexible spending accounts where employees can use their 2025 balance during the first two and half months of 2026 to incur new expenses and utilize previously deducted funds. We've also been able to fund increased employer contributions for the Dependent Care Advantage Account for the fourth year in a row. These programs continue to be tools that allow employees to deal with the affordability of health care, dependent care and adoption expenses and we will strive to expand participation in the coming year.

OER also helps employees plan to manage their lives and finances after they retire. In the past year, OER hosted 24 online pre-retirement seminars with 7,700 participants. The transition to online pre-retirement seminars has led to an increase in the number of employees who can attend per seminar.

OER's actions in the last year have also reflected the Governor's leadership on issues related to mental health. We have modified our website to make it easier for employees to find information on their mental health benefits, worked closely with the carrier of the Empire Plan mental health program to address reported employee concerns over availability of network providers, and taken steps to enhance critical incident response under the umbrella of the New York State Employee Assistance Program (EAP). Regarding our EAP Program, last year NYS EAP responded to over 26,000 employee referral requests for resources related to mental health and other concerns.

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While my remarks today have been focused on my agency's efforts to negotiate new collective bargaining agreements and address employee concerns in areas such as affordability and mental health, I would be remiss if I did not note the continuing impact of the illegal correction officer strike of 2025. As required by the Taylor Law, OER will issue strike notices to thousands of employees that we believe participated in the illegal strike. Those notices will set forth the alleged unauthorized absences and advise employees of their appeal rights. Additionally, OER is currently processing thousands of contract grievances filed by employees in connection with various aspects of the employer's response to the illegal strike. Staff are working on these grievances as they proceed through the contractual dispute resolution process.

In closing, under Governor Hochul's leadership we look forward in 2026 to strengthening labor/management collaboration, negotiating equitable contracts and providing programs that meet employee needs in areas such as affordability and mental health.