Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Economic Changes for New York

**Directions:** Read the two articles below and answer the following questions. Submit only the completed question page (not the articles) to [www.turnitin.com](http://www.turnitin.com) . **USE COMPLETE SENTENCES.**

1. What will the new minimum wage be in NY?
2. What if you work for a business in NYC that has less than 10 employees?

1. What will the minimum wage be in upstate NY? Provide the time frame and amount the increases will take place.
2. Could anything prevent upstate NY from receiving the full $15 increase? Explain.
3. Which political party supported the wage increase/which party opposed it.
4. What changes will New Yorkers see for family paid leave? How will it be funded?
5. Compare the Federal family leave to the NY state family leave. Which is better?
6. What is the eligibility requirement to receive the NY State Family Leave?
7. What changes did Cuomo make for income tax rates for the middle class?
8. What’s happening with SUNY tuition?
9. What’s happening with Education Aid?

**NY reaches budget deal, to miss deadline**

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**Joseph Spector and Jon Campbell, @JonCampbellGAN***10:33 p.m. EDT March 31, 2016*

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**People gather in the Senate lobby before session starts at the state Capitol on Thursday, March 31, 2016, in Albany, N.Y. Legislative leaders continue to work on a state budget which is due by midnight. (AP Photo/Mike Groll)***(Photo: Mike Groll, AP)*

ALBANY -- Gov. Andrew Cuomo and legislative leaders reached a compromise Thursday night on a $15 minimum wage, paid family leave, a boost in school aid and a major income-tax cut.

Cuomo announced the deal late Thursday for a $147 billion budget, and lawmakers were expected to pass budget bills through the night -- missing a midnight deadline for an on-time deal.

The Democratic governor said the budget would include $24.8 billion in education aid, a 6.5 percent increase, and eliminate a cut to schools of $400 million that was installed during the recession in 2009.

The budget would also include a $4.2 billion income-tax cut for the middle class by 2025: Rates will drop to as low as 5.5 percent over that stretch for people earning between $40,000 and $300,000, Cuomo said. The current low rate is 6.45 percent.

All of it, he vowed, would keep the state's spending to 2 percent growth for the fiscal year that started Friday.

"It is a tremendous display of fiscal discipline," Cuomo told reporters at the Capitol.

The budget also includes $55 billion over five years for infrastructure projects: split between the statewide Department of Transportation and the New York City transit system, which upstate lawmakers sought, Cuomo said.

The Legislature was expected [to work into the nigh](http://www.pressconnects.com/story/news/politics/politics-on-the-hudson/2016/03/30/budget-may-include-1b-tax-cuts/82421048/)t to pass the bills once they were introduced, likely carrying on past the midnight deadline and bleeding into Friday, the start of the state's 2016-17 fiscal year.

The quick turnaround and late-night votes angered government watchdogs.

"Just when you thought it couldn’t get any worse, this secretive and broken process did," Reclaim New York, a think tank, said in a statement. "New Yorkers are entitled to real representation. But in Albany, they'd rather pass a budget on time than give legislators a clue what's in it."

**Minimum wage**

The deal between Cuomo and top lawmakers would see the state's current $9-an-hour minimum wage gradually increase to $15 in New York City by the end of 2018, while Westchester and Long Island would hit $15 by the end of 2021, according to Cuomo's office.

There will be a carve out for New York City businesses with fewer than 10 employees: They will have an extra year to get to $15.

For upstate, the minimum wage would hit $12.50 by 2021 with future increases determined by a yet-to-be-determined state formula -- ultimately reaching $15 an hour. So the increases would be 70 cents a year starting at the end of this year.

Cuomo said the wage hike will impact 2.3 million workers.

Republican senators in Westchester and Long Island fought unsuccessfully in pushing back a $15 wage until 2022.

Assemblyman Thomas Abinanti, D-Mt. Pleasant, Westchester County, said he would have liked to have seen Westchester's wage increase at a faster clip.

"Westchester is as expensive as New York City, if not more expensive," he said. "While this is a very good step forward, I would have preferred to see us on the same time frame as New York City."

There will also be studies along the way to determine the impact on the higher minimum wage on the economy, and Cuomo wouldn't have the ability to install wage boards to increase the rates higher. In recent months, Cuomo has used a wage board to increase the minimum wage for tipped workers and fast-food employees.

The deal would also give Cuomo a so-called "safety valve" to delay the minimum-wage increases if the economy tanks.

"This is the smartest, safest way to go about it in my opinion," Cuomo said of the staggered minimum-wage implementation.

**Paid-family leave**

New York is poised to install a 12-week paid-family leave that would be funded by workers through a roughly $1-a-week payroll deduction.

Cuomo initially proposed eligibility after four weeks on the job, but the agreement will require six months to be eligible, officials said.

The benefits would be phased in starting in 2018, paying workers up to two-thirds of the average salary for up 12 weeks in New York by the time it's fully in place.

The program wouldn't be funded by he New York State’s Temporary Disability Insurance, as Assembly Democrats proposed.

New York's program will be the most expansive in the nation: Federal law provides for 12 weeks of unpaid family leave and exempts employers with fewer than 50 employees.

**SUNY tuition**

SUNY 2020, the program that has led to $300 tuition increases each year, will not be reauthorized. So SUNY will have at least a one-year tuition freeze.

[SUNY leaders said last week](http://www.pressconnects.com/news/local/suny-would-freeze-tuition-with-more-state-aid/99749404) they would support a one-year tuition freeze if they got $73 million from the state to make up the difference. Cuomo said the SUNY and CUNY systems will get a combined $85 million in direct state aid -- which likely falls short of what SUNY was seeking -- and $300 million for infrastructure projects.

Tuition was $6,470 a year for incoming, in-state freshmen last fall, up 30 percent over the past five years.

SUNY officials Wednesday were making a late push for the SUNY 2020 plan.

"NYSUNY 2020 is critical legislation for our students and their families," SUNY said in a statement. "As Chairman McCall and the Board said last week, SUNY needs $73 million in direct state funding to stave off a tuition increase this fall - $73 million or a tuition increase. Providing a world-class education costs money.

**Tax cuts**

Senate Republicans were successful in pushing for [a version of a tax-cutting plan](http://www.pressconnects.com/story/news/politics/politics-on-the-hudson/2016/03/09/senate-gop-pushes-ny-tax-cuts/81546508/) they introduced earlier this month. Initially, they had been seeking a 25 percent cut to middle-class rates, as well as cuts to small business taxes.

Cuomo on Wednesday said a version of the tax-cut plan would be in the final deal: $1 billion over several years with a income-tax cut for joint filers making less than $300,000.

Ultimately, on Thursday night, Cuomo said the package would not include small-business tax cuts, but include a larger personal-income tax cut: $6.6 billion over four years, reaching $4.2 billion a year by 2025.

The National Federation of Independent Business criticized the package.

"We continue to appreciate the efforts by many lawmakers to stand firm and protect New York’s small businesses and family farms, but continued resolve is necessary," the group's executive director Mike Durant said in a statement Wednesday. "This is not a deal worth celebrating, but one which needs to be flatly rejected."

**Education aid**

All told, the state budget appears poised to pass a $1.5 billion increase in state aid to school district. That would push the total to nearly $25 billion.

Cuomo [proposed a 4.3 percent increase in school aid,](http://polhudson.lohudblogs.com/2016/01/13/cuomo-proposes-144b-spending-plan-ethics-reforms/) to a total of $24.2 billion.

But the Legislature pushed for well above the $991 million that Cuomo sought and also eliminated the Gap Elimination Adjustment, a recession-era cut to school districts that remains in effect.

Cuomo had proposed a two-year plan for the state to pay back schools $434 million for the cuts made during the recession.

"The priorities should be the schools that need the most help in this state," Cuomo said Thursday night.



**Q&A: How will New York's $15 minimum wage work?**

**Jon Campbell, jcampbell1@gannett.com | @JonCampbellGAN***5:40 p.m. EDT April 1, 2016*



*(Photo: AP)*

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ALBANY — By now, you've seen the headlines: New York [will increase its minimum wage to $15 an hour](http://www.pressconnects.com/story/news/politics/blogs/vote-up/2016/03/31/five-things-know-nys-budget-deal/82465024/).

But how quickly will the wage hike take effect? And will it apply upstate, too?

Here are some answers to frequently asked questions:

**Q: $15 an hour? When?**

**A:** It depends where you live.

The state's current minimum wage is $9 an hour. That rate will gradually increase at different rates in different areas of the state.

In New York City, it will increase $2 each year: $11 on the last day of 2016, $13 on the last day of 2017 and $15 on the last day of 2018. That's unless the employer has 10 or fewer employees, in which case the annual increase would be $1.50, hitting $15 on Dec. 31, 2019.

[In Westchester County and on Long Island](http://www.pressconnects.com/story/news/politics/politics-on-the-hudson/2016/03/31/15-minimum-wage-westchester-draws-cheers-jeers/82488320/), it will be slower: Starting with $10 on Dec. 31, 2016, and increasing $1 each year before hitting $15 on the last day of 2021.

It's more complicated in the rest of the state. The minimum wage there will increase 70 cents a year, starting with $9.79 on Dec. 31, 2016, until hitting $12.50 on the last day of 2020.

**Q: $12.50 upstate? I thought it was supposed to be $15?**

**A:** The wage will increase to $15 upstate — eventually.

Once the minimum wage hits $12.50, the governor's Division of the Budget will be required to come up with a formula for future increases to $15.

So it's not yet known when upstate New York will hit $15. By law, the formula has to be set by Oct. 1, 2021.

**Q: Can the wage hike be stopped?**

**A:** Yes, but only outside New York City.

In 2019, the budget division will be required to analyze the economy of each region of the state. Then, the division will issue a report recommending whether there should be a "temporary suspension or delay in any scheduled (minimum wage) increases."

The commissioner of the state Department of Labor would then be able to stop the minimum wage hikes if it's determined the economy can't handle it.

The state will have to repeat the process each year until the entire state is at $15 an hour.

The head of the budget division is under Cuomo's control. "To me, that means I will determine it," he told upstate editorial board members in a conference call Friday.

Cuomo said he wouldn't raise the minimum wage at the detriment of the upstate economy.

"We’ve spent billions of dollars. I’ve spent months of life working on the upstate economy over years," he said. "I’m not going to do anything that hurts the upstate economy."

**Q: What happens if there's a new governor?**

**A:** It could happen. Gov. Andrew Cuomo, who spearheaded the $15 push in this year's state budget negotiations, is up for re-election in 2018.

If, say, a Republican who opposes a minimum-wage hike were to win, the new governor's budget office would be in line to control the economic analysis in 2019 and whether future increases will continue.

But Cuomo said he plans to run and win a third term in 2018.