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State Leaders Reach Deal to Raise Minimum Wage

By THOMAS KAPLAN

ALBANY — Gov. Andrew M. Cuomo and legislative leaders reached a tentative agreement on Monday to increase the state's minimum wage to \$9 over the next three years.

Increasing the wage had been a top priority of Democrats in Albany, including the Assembly speaker, Sheldon Silver, and one of the leaders of the Senate, Jeffrey D. Klein, who heads an independent faction of Democrats. Along with Mr. Cuomo, they had argued that the current minimum wage in New York, \$7.25, was too low to support workers, and that the wage had not kept pace with the rising cost of living.

Mr. Silver, of Manhattan, said that if the Legislature raised the minimum wage to \$9, "I think we've done a tremendous service." He spoke to reporters after he and other legislative leaders met with Mr. Cuomo, a Democrat, early Monday evening.

The deal would raise the minimum wage to \$8 per hour next year. The wage would rise again to \$8.75 in 2015 and \$9 by the start of 2016.

The agreement was described by people who had been briefed on the negotiations, but who spoke on the condition of anonymity because a deal on the overall budget had not yet been reached. Increasing the wage to \$9 would match the level to which President Obama has proposed raising the federal minimum wage.

If the wage increase is approved by the Legislature, as expected, New York would join 18 other states with minimum wages above the federal minimum as of the start of this year, according to the National Conference of State Legislatures. The \$9 wage would be one of the highest in the country, although lawmakers in many other states are also contemplating increasing their minimum wage this year. New York's current minimum wage took effect in 2009 when the federal minimum became \$7.25.

Michael Kink, the executive director of the Strong Economy for All Coalition, a group backed by labor unions that has advocated a minimum-wage increase, said he was pleased with the emerging deal. But Mr. Kink said it was disappointing that the wage increase would not be indexed to inflation, as liberal groups and labor unions had sought so that the wage would automatically increase in the future.

"If this stays on track to get to \$9, then workers all over the state are going to get a real raise, and that's a good thing," Mr. Kink said.

Republicans were concerned that raising the wage could hurt the state's fragile economy, but have agreed to the increase in exchange for tax breaks; the Senate Republican leader, Dean G. Skelos, told reporters that the plan would also include at least \$700 million in new tax cuts for businesses and families.

Some business groups remain concerned about the proposed minimum-wage increase. Mike Durant, the New York State director for the National Federation of Independent Business, said the wage increase would still have a detrimental effect on small businesses, especially upstate.

"In an economy that's stagnant, that's an enormous amount of significant pressure on small businesses that's going to threaten their viability," Mr. Durant said. He said the fact that the increase would be phased in, and would be accompanied by tax breaks, was a plus, but not enough.

"Does it help? Sure," he said. "Does it mitigate the damage completely? Absolutely not."

The developing agreement on the minimum wage and the tax cuts came as Mr. Cuomo and legislative leaders continued to negotiate over the fine points of an overall state spending plan, which must be approved by April 1. Mr. Cuomo proposed a \$143 billion spending plan in January.

Legislative leaders said they were hopeful that an overall deal on the budget could be reached by Tuesday; they are trying to finish the budget early this year so lawmakers can head home for Passover and Easter.

"We're very close to having a deal," Mr. Skelos, of Long Island, told reporters after the meeting with Mr. Cuomo.

Among the other items under negotiation: whether to extend a new tax bracket on the state's highest earners that was created in December 2011 and is scheduled to expire at the end of 2014, and whether to decriminalize the visible possession of small amounts of marijuana in an effort to reduce the number of low-level marijuana arrests in New York City. The marijuana decriminalization proposal, which Republicans in the Senate resisted last year, remained a sticking point on Monday night.