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# Empire State Restaurant & Tavern Association

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*Report From The Executive Director...Scott Wexler*

## March 2023

State Budget Negotiations Continue - Both the Assembly and Senate adopted their one house budget proposals earlier this month making clear their positions on the Governor's Executive Budget. Here's where they stand on the issues that have the greatest impact on your business:

*Minimum Wage* – The Governor proposed indexing the minimum wage, raising it each year based on the cost of living, starting from \$15 per hour. Her approach also includes a 3% annual cap on increases and an “off ramp” to reduce or delay increases under certain economic circumstances. The Assembly and Senate both embraced the idea of indexing the minimum wage but they want to increase it substantially first. And they rejected the idea of a cap or off ramp that would limit or prevent increases in the minimum wage. Both houses resisted calls from One Fair Wage and a handful of legislators to eliminate the tipped wage for foodservice workers.

*SLA Improvements/ABC Reform* – Governor Hochul included several modest proposals to improve the SLA in her budget proposal, all of which were rejected by the Assembly – all but one were rejected by the Senate. And the legislature did not advance any of their own priorities for ABC reform in their one house budgets. Both houses have generally taken the position that they will wait for the ABC Review Commission's report, which is due May 1, before acting on any ABC legislation.

*Environmental Issues* – The Governor included a proposal in her budget that would require all producers to be responsible for the materials used in packaging their products. The Assembly excluded this from their budget, preferring to work on this outside of the budget. The Senate included a similar proposal along with an expanded bottle bill in their one house budget.

While the SLA improvements and ABC reform are off the table for now, we'll work on those issues outside of the budget. A minimum wage increase of some amount combined with indexing does appear likely. We'll continue to work for the most favorable outcome on the minimum wage and we'll remain vigilant protecting the tipped wage. It's unclear whether the Assembly can hold off the Governor and Senate and push the environmental issues out of the budget. An expanded producer responsibility law will create new challenges and costs for covered producers. This will surely be felt all the way down the supply chain, ultimately landing on consumer, so we'll paying close attention.