EMPIRE CENTER

SUMMER
UPDATE 2026

Inside:
- How we win
- Pied-à-Terre Tax
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- Renewable Energy
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Mamdani won't just sell groceries—he'll sell the fiction that government ownership of the means of production works

Z
Zilvinas Silenas

President
& CEO

I grew up in the Soviet Union. **I saw government-run grocery stores** firsthand.

I never imagined I would one day have to make the case against them in New York City, of all places. But here we are.

Socialists are using New York taxpayers' resources to promote socialism as an idea and turn socialist policies into law.

They are not merely invoking phrases like taking over the "means of production"—language lifted straight from Marx.

They want government ownership of the means of production.

Their belief that government should run nearly everything, even grocery stores, is a perfect example of that vision.

They are already talking about waiving rent and exempting government grocery stores from taxes—a massive subsidy that would tilt the playing field. Despite railing against "big business," these stores would compete directly with small businesses and corner shops.

If you think government grocery stores will simply collapse under the weight of their own incompetence—and there will be plenty of incompetence—I would not bet on it.

Previous failed experiments with government grocery stores across the U.S. had narrower aims: revitalizing downtowns, expanding access to healthy options, or filling gaps in

underserved areas.

They were not built to prove an ideology.

The goal in NYC is different: to prove that government ownership of the means of production works.

No taxpayer resources will be spared to prop up these stores, and every failure will be recast as evidence of success.

Government grocery stores lose money? That will be cited as proof they are not "price-gouging."

Stores are closed on weekends or during hours convenient for shoppers? That will be framed as proof they do not exploit workers.

Subsidized government stores drive corner shops out of business? That will be treated as proof that the government model is superior.

Even the most mundane occurrence—a discount on a single item, for example—will be trumpeted as an extraordinary triumph.

Expect Orwellian spin from a taxpayer-funded media operation.

Expect activists rallying in your town for government groceries.

This is not about groceries. It is about a fundamental question: who should make decisions in this country—the people or the bureaucrats?

Who should set the price of eggs—the shopkeepers or City Hall?

If you believe this question matters, then **we are allies** in the fight for the future of this state—and this country.

We have not lost yet.

Many New Yorkers oppose this agenda. We can stop it.

We will fight these bad ideas in public debate.

We will provide reporters with facts and figures.

We will track and expose bad bills in the legislature. We will give lawmakers the research and facts they need to see that more government is not the answer.

We will pitch reform packages for taxes, energy, education, and other areas where New York performs dismally.

We will show why our ideas are better.

When I joined Empire Center, I said that I don't want to just document the decline of New York – I want to do something about it. I have not changed my mind.

I hope you stand with us.

HOW WE WIN
Policy areas and plans

Persuasion is our lever for change. We do not vote on bills, run agencies, or bus crowds to Albany. But we do contribute to what lawmakers, reporters, and voters understand to be true, urgent, and right.

Everything we do can be understood through categories of defense and offense.

DEFENSE. Defense means stopping bad ideas before they become laws. We track harmful bills, expose their costs, contact legislators and reporters, and make sure Albany's bad ideas do not move quietly. Our job is to make destructive proposals harder to defend, ignore, and pass.

OFFENSE. Offense means expanding what is politically possible in New York. We find data, craft research, shape media coverage, and give legislators usable proposals. Our goal is not merely to react to Albany's agenda, but to challenge the assumption that New York is doomed to bigger government, higher taxes, and powerless citizens.

The priorities below are where we will apply this strategy most aggressively.

TAXES. Many New Yorkers resent high taxes, and many choose to leave rather than keep paying them. Yet New York's political class treats higher taxes as inevitable. The debate centers on high taxes vs. even higher taxes.

We will change that.

First, our research and media work will show how high taxes punish families, drive away businesses, weaken the economy, and make New York less competitive. We will make high taxes a major public concern.

Second, we will track every bill that raises taxes, call it out publicly, and make sure lawmakers and reporters know why that bill is a bad idea. No hike will move quietly.

Third, we will craft proposals to lower taxes. Even if they do not pass immediately, they will present an alternative to Albany's groupthink. We will gather support, and force Albany's tax-hike coalition to play defense.

ENERGY. Energy is expensive, and New York does not have enough of it. The state is already saying "no" to new businesses because it lacks generation and transmission capacity. The one-year ban on new data centers looks like the first step toward energy rationing.

Our monthly Energy Data bulletin already shows that other states are meeting energy challenges more effectively than New York. Our analysis and legislative memos will dismantle bills that push higher prices and less choice. Our polling will warn legislators that voters do not want expensive, radical policies.

Public dissatisfaction with New York's energy policy is already measurable. We will continue highlighting the consequences of current policies, and making the case for reforms.

We are expanding our collaboration with research partners and legislators and crafting our own legislative proposals for the 2027 session.

EDUCATION. New York spends more per pupil than any other state and more than many countries, yet is outperformed by Mississippi and Alabama, not to mention Massachusetts. Worse, most New Yorkers do not know how poorly the system performs, and many believe their children receive a high-quality education.

Our polling shows that 97 percent of New Yorkers support major reforms once they understand the gap between what taxpayers spend and what students receive. That creates a powerful opening for action.

We will bring the truth about New York's schools to parents, taxpayers, and local leaders in every district. We will show what schools spend, what students achieve, and how better alternatives can deliver stronger results at lower cost. Our K-12 SOS reports will give New Yorkers the facts and drive change.

TAXPAYER MONEY. Albany's budget process is so opaque that even the people who vote for it do not see it until the last minute. New York's budget is roughly double Florida's, despite Florida's larger population. Some public-sector employees game the system and collect half a million dollars per year.

Consider what this means: some public-sector employees, whose wages are paid by taxpayers, take home more in a single year than many taxpayers' homes are worth.

This is a complete failure of New York's government to manage taxpayers' money. It justifies outrage, and it demands change.

Our **SEETHROUGHNY** database, with millions of spending records, is trusted by reporters and investigators. We will supercharge it with AI and expose government waste across New York. We will confront legislators and candidates with one question: What have you done to stop taxpayer-funded employees from taking home half a million dollars a year?

HEALTHCARE. Healthcare is already complicated, and New York government interference makes it worse. Safety-net health plans should focus on helping the poor and disabled, but New York has expanded them to cover nearly 40 percent of the state's population, including many people above the poverty level.

At the same time, New York creates systems that are easy to cheat and then fails to prosecute fraud. Taxpayers and employers pay for that negligence. Worse, Albany has only one answer — more government in healthcare.

We will expose how New York's healthcare programs shift costs onto taxpayers and employers, document where the money goes, and challenge the assumption that government-run healthcare failures require still more government control.

DOING BUSINESS IN NEW YORK. Business is difficult to begin with, but New York's government makes it borderline impossible. If you are trying to make a living without dipping into the taxpayers' purse, the state seems determined to hinder you. New York businesses must compete with places that have lower taxes, wages, and energy costs, while also dealing with harmful regulations not found elsewhere.

Beyond our everyday work defending private enterprise, we will launch special research projects, starting with a reform package for New York's over-litigious business environment.

SPREADING IDEAS, ENACTING CHANGE

How electricity prices 50% above the national average suddenly became news in New York

Changing New York starts with showing New Yorkers that there is a better way than what Albany offers. That is the Empire Center's role: we **bring clear ideas, hard facts, and reliable data into the public debate**—and make sure the media, lawmakers, and the public cannot ignore them.

Our **Energy Dashboard shows that work in action.** It gives New Yorkers clear evidence that electricity prices here are rising, that most other states are doing better, and that Albany's excuses do not hold up. The problem is not data centers, the federal government, foreign conflicts, or other outside forces. It is New York's own energy policy.

We've been **fact-checked, and argued with, but our message is breaking through.** Energy Data Bulletin has been covered by news outlets across the state and has helped **legislators to argue for policy change.**

Public opinion is moving in the same direction. Our latest poll found that two-thirds of New Yorkers oppose paying higher energy prices to reduce greenhouse gas emissions. We will make sure that this message is heard by candidates this election year**.**

January 2026

EMPIRE CENTER

"Residential electricity price in New York was **26.95 cents** per kilowatt-hour (kWh) and ranked 8th highest in the U.S., exceeding the national average by **50 percent, and 7.6 percent** higher than 12 months ago."

Rob Ortt @SenatorOrtt
Jan 16

Electricity rates in New York are **50% higher than the national average and rose 7.6%** just in the past year. In order to lower energy costs, we must repeal Albany Democrats' Green New Deal, end costly energy mandates such as the All-Electric Building Act.

POLITIFACT

[Senator] O'Mara responded to our inquiry with a post to an **Empire Center** for Public Policy article... "average residential electricity price in New York hit **26.95 cents per kilowatt-hour — about 50 percent higher** than the U.S. average and among the top ten highest rates nationwide." This aligns with data collected by the federal Energy Information Administration.

AFFORDABLE ENERGY NOW!

Senate Republican Conference unveiled a package of legislation aimed at addressing New York's outrageous energy costs... Today, New York families and small businesses are paying **49 percent more for electricity** than the national average."

Bloomberg

Hochul, a Democrat running for reelection this year, has been sounding the warning on energy costs for months... As of last November, the average residential electricity price in New York was **26.5 cents per kilowatt-hour,** ranking eighth-highest in the country, according to **Empire Center...** "We know **New Yorkers need some relief," Hochul said.**

CYGNAL OPINION POLL
Preferred direction for New York's energy policy

A. Reduce greenhouse gas emissions, even if that means higher energy prices: 24%
B. Lower energy prices, even if that means higher greenhouse gas emissions: 24%
C. Reduce greenhouse gas emissions, but only if it does not increase energy prices: 42%

BRUCE BLAKEMAN *for GOVERNOR*

Blakeman blasted Kathy Hochul's energy policies as new data proves her mandates are sending electricity bills soaring and making life more expensive.
According to an analysis by the **Empire Center...** electricity price in New York reached **26.95 cents... nearly 50 percent** higher than the national average and among the ten highest rates in the nation.

July 2026

ENERGY

It is Time to Rethink New York's Renewable Energy Mandates

The Coalition for Safe and Reliable Energy petitioned the New York State Public Service Commission to hold a hearing to evaluate whether to temporarily suspend or modify the obligations under the Renewable Energy Program established as part of the Climate Leadership and Community Protection Act ("CLCPA"). This text is adapted from the Empire Center's comments in response.

Electricity Price Growth Accelerated After CLCPA

Electricity prices in New York are rising at an unusually fast rate. According to the latest Energy Information Administration (EIA) data on average residential electricity prices, New York's prices rose by 5.7 percent month over month and 14.4 percent year over year in February 2026.

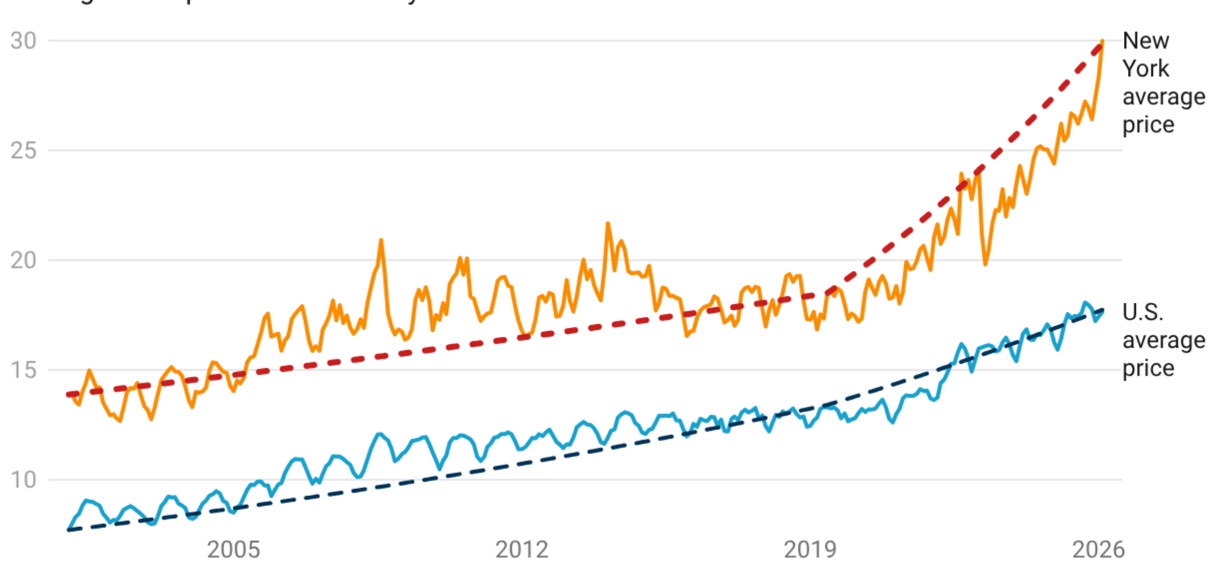
This represents exceptionally fast growth, significantly exceeding the national averages of 1.1 percent and 7.4 percent, respectively. Under these circumstances, all policies and measures that may affect electricity prices warrant close examination and review.

From January 2001 through June 2019, New York's electricity prices rose by an average of just 0.13 percent per month. After June 2019, that average jumped to 0.6 percent. Over the same periods, national electricity prices increased by 0.25 percent and 0.35 percent per month, respectively.

While these figures do not establish causation, they show that electricity prices in New York have risen significantly faster than the national average since CLCPA's passage, suggesting the presence of New York-specific factors.

Electricity price dynamics before and after 2019

Average retail prices of electricity for residential consumers



Changes to New York's Renewable Energy Mandates Will Have No Meaningful Effect on Global Climate Change

New York's share is sufficiently small so that changes to its renewable mandates would have a negligible effect on global emissions trajectories and their effects.

In 2023, the United States emitted a total of 4,781 million metric tons (MMTs) of CO_2 from energy consumption. New York emitted 164.9 MMTs, representing 3.4 percent of the national total. New York's per capita CO_2 emissions were 8.4 tons, compared to a U.S. average of 14.2 tons, ranking New York as the fourth lowest state by per capita emissions.

By comparison, China emitted a total of 11,129 MMTs of CO2, with estimates of 8.7 tons per capita. Although China's per-capita emissions are comparable to New York's, its vastly larger population results in total emissions that dwarf those of any U.S. state.

Even a 40 percent reduction in New York's annual emissions—approximately 66 MMTs—would equal only about 0.59 percent of China's annual emissions, or two days' worth of emissions from China.

Renewable Energy Mandates Are Not the Only Way to Increase the Use of Renewable Energy Sources

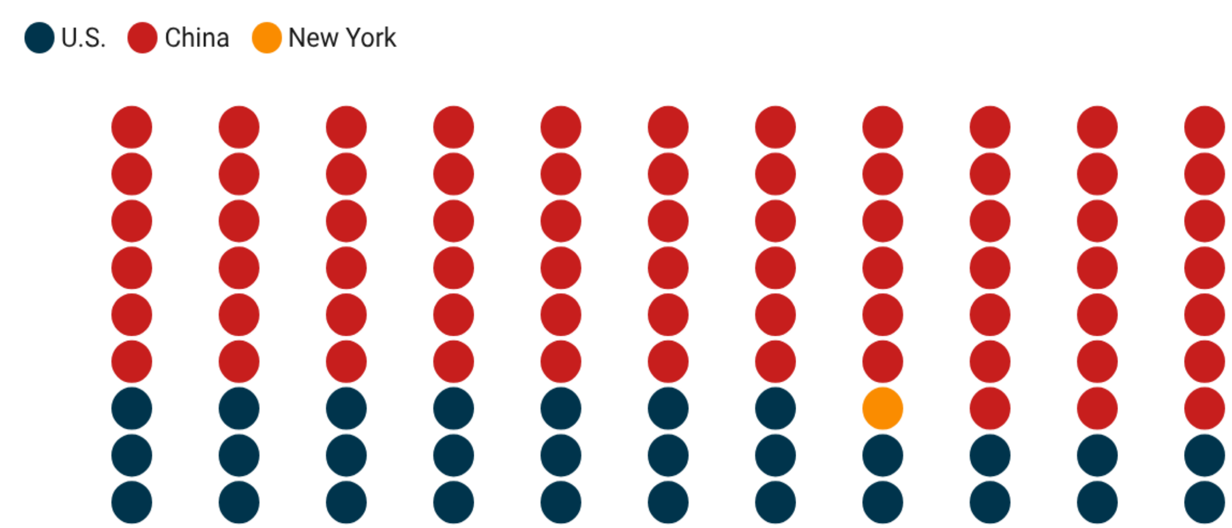
Renewable energy mandates in Florida and Texas are less stringent than in New York, yet both states have expanded wind and solar generation faster than New York since 2019.

New York has increased solar energy production by 336% from 2,376 GWh in 2019 to 10,359 GWh in 2025. However, over the same time, electricity production in Texas went up from 5,366 GWh to 64,073 GWh, or by 1094%. Florida increased solar generation from 4,590 GWh to 30,131 GWh or by 556%.

In wind power, New York increased electricity production from 4,456 GWh to 6,902 GWh. However, Texas achieved similar growth rates at significantly higher volumes, increasing its production from 83,620 GWh to 129,458 GWh

CO2 emissions

Each circle represents 165 million tons of CO2 emissions, equal to the annual CO2 emissions of New York State



TAXES

Four Problems with a Statewide Pied-à-Terre Tax

Authored by Bill Hammond, Senior Fellow at the Empire Center, adapted for this report

After Governor Hochul floated the idea of a “pied-à-terre” tax in New York City, Albany Sen. Patricia Fahy proposed to expand the concept to the rest of the state.

Fahy says her tax would be levied on homes worth more than $5 million that are not used as primary residences – which, in the upstate context, means vacation homes. The levy would apply only in municipalities that opt to participate.

Half the revenue raised under her scenario would go to local coffers. The other half would be redistributed to other local governments through the state’s Aid and Incentives for Municipalities program.

Fahy says the goal is to generate revenue for local services and discourage absentee ownership of luxury homes.

“For too long, these properties have contributed to a hollowing out of communities upstate, in Long Island, the Adirondacks, Finger Lakes, and across New York State, in some instances, by turning them into part-time ghost towns.”

There are at least four problems with this idea:

Firstly, the second-home market in most of the state looks nothing like Manhattan or the Hamptons.

In the financially distressed cities – such as Rochester or Albany – luxury second homes are virtually nonexistent.

In vacation destinations such as Lake George, Saratoga Springs and Skaneateles, there are a smattering of $5 million-plus properties, but it’s unclear that there are enough to generate significant revenue.

Fahy has indicated that her bill might exempt second homes owned by people who live elsewhere in New York, which would further shrink the number of affected properties.

In Saratoga Springs, for example only a handful of houses have sold for more than $5 million in the past three years. Only one, the so-called Palazzo Riggi, has sold for more than $6 million.

According to county assessment rolls – which would presumably be the basis for levying a pied-à-terre tax – the Palazzo is valued at $12 million. No other house in its North Broadway neighborhood, one of the priciest in the city, has a full-value assessment of more than $5 million.

A second problem with Fahy’s proposal is that high-priced second homes are cash cows for upstate resort areas, not fiscal burdens.

Their owners pay the full amount of property taxes, sometimes amounting to hundreds of thousands of dollars per year, while using local government services for only a few weeks or months per year.

Thirdly, the concept of a statewide pied-à-terre tax glosses over the structural differences between property taxes in New York City and in the rest of the state.

The city’s system divides residential properties into multiple classes that are assessed and taxed in different ways. It also limits how much any given owner’s assessment can increase from year to year. As a result, a newly purchased house might face a higher bill than the similar property next door. And the owner of a luxury condo in Manhattan might pay a lower tax rate, as a percentage of market value, than a middle-class homeowner in Queens.

Because of these complexities, The Wall Street Journal estimated in 2017 that investor Ken Griffin’s $280 million condo – a flashpoint in the current debate – would pay an effective property tax rate of 0.22 percent, while the home owned by a Staten Island garbage collector faced an effective rate of 1.2 percent.

In that context, a pied-à-terre tax in New York City can be seen as a Band-Aid on a broken system – a way of raising rates on a sub-group of wealthy property owners without upending the messy status quo.

Upstate and on Long Island, even that dubious rationale falls apart. Local officials in upstate counties assess the value of all residential properties in the same way and tax them at consistent rates within each jurisdiction.

According to tax records, Saratoga’s Palazzo Riggi owes about $157,000 in city, county and school taxes, which was 1.31 percent of its assessed market value – the same percentage that applies to every other homeowner in the city.

The fourth and arguably strongest objection to Fahy’s plan is that it would further add to a tax burden that is one of the heaviest in the U.S.

New Yorkers collectively pay 15.9 percent of their income in state and local taxes, the highest rate of any state, according to the Tax Foundation. They also pay $3,457 per capita in property taxes, which is No. 2 behind New Jersey.

New York’s state and local governments already collect almost one out of every six dollars that their residents earn. Its leaders should focus on living within those ample means instead of imagining new taxes to impose.

MEDIA

We write eye-opening articles, publish data-rich press releases, and respond to media inquiries around the clock—all to ensure bold ideas and vital information reach every corner of New York.

New York Post
TIME Magazine
Newsday
POLITICO
Fox Business
The New York Times
New York Focus
CBS News
Daily News
City Journal
Crain's New York Business
City & State New York
News 10
Adirondack Daily Enterprise
The City
PolitiFact
CNY Central
Niagara Gazette
WGRZ 2
Press-Republican
Spectrum News NY1
The New York Sun
News12
Ithaca Journal
Daily Freeman
syracuse.com
6 News WRGB Albany
The Post-Journal
AOL
Bloomberg
WAMC Northeast Public Radio
Yahoo! News
The Wall Street Journal
The Malone Telegram
The Citizen
Observer-Dispatch
WXXI Go Public.
Poughkeepsie Journal
Times Union
The Buffalo News
Yonkers Times
News in Yonkers and around Westchester
Democrat & Chronicle
The Daily Signal
Daily Caller
lohud.
The Journal News
Babylon Herald Beacon
The Daily Gazette
ZeroHedge
InvestigativePost
Los Angeles Times
Observer-Dispatch
Daily News
silive
Staten Island Live
Blaze media
Times Herald-Record
NewsNation
nj.com True Jersey.
The Federalist
A division of FDRLST Media
Times Telegram

The New York Times

U.S. Sues N.Y. State Over Troubled $11 Billion Health Care Program
By Grace Ashford and Claire Fahy
June 16, 2026

Bill Hammond, a health care policy analyst at the conservative-leaning **Empire Center for Public Policy,** said that the overlap between the Justice Department claims and the revelations of communications between the state and Public Partnerships before the contract was awarded suggested that the case was "not just a political hit."

NEW YORK POST

Billionaire bigwigs launch NYC exodus after Mamdani's 'tax the rich' antics
By: Craig McCarthy, Charles Gasparino, Carl Campanile, Haley Brown and Matt Troutman
Published May 6, 2026, 7:07 p.m. ET

Mamdani's rhetoric risks the loss of 2,700 jobs in the financial industry and $168 million in state and city tax revenue every year "Without finance jobs Manhattan is a very expensive mall," said **Zilvinas Silenas, president of Empire Center for Public Policy.**

NATIONAL REVIEW

Mamdani's Utopian Vision Faces Reality
By THE EDITORS
February 19, 2026 6:30 AM

Mamdani's push for a wealth tax... rests on the fiction that those with means aren't paying their fair share. But according to an analysis by the **Empire Center for Public Policy,** "Filers in the top 1 percent — which roughly corresponds to incomes of $1 million or more — accounted for 46 percent of income tax paid and one-third of total state tax revenue in 2023,"

Bloomberg

New York readies rollback from one of the strictest climate laws
By: Olivia Raimonde
May 7, 2026

Hochul, a Democrat running for reelection this year, has been sounding the warning on energy costs for months... As of last November, the average residential electricity price in New York was 26.5 cents per kilowatt-hour, ranking eighth-highest in the country, according to **Empire Center, a nonprofit think tank in Albany.** "We know New Yorkers need some relief," Hochul said.

POLITICO

DOJ accuses New York of unlawful Medicaid home care 'scheme'
By Maya Kaufman and Katelyn Cordero
06/16/2026 05:19 PM EDT

State and PPL officials have repeatedly denied any wrongdoing related to the procurement but have acknowledged meeting before the RFP process began. One meeting between health department staff and PPL leadership was confirmed by an email obtained by the **Empire Center,** a right-leaning policy think tank, but a Hochul spokesperson said it "had nothing to do with the procurement process."

The New York Times

Trump and New York Are in a Tug of War Over Medicaid Coverage
By Joseph Goldstein
April 14, 2026

With tough new regulations looming in the president's domestic policy bill, officials are coming up with plans to keep New Yorkers insured... "I'm not seeing the kind of public planning process to reassure me they are ready or that they're going to be ready," said Bill Hammond, a health care policy analyst at the **Empire Center for Public Policy**, a think tank in Albany, N.Y.

THE WALL STREET JOURNAL

Overpaid Government Workers on Strike
By James Freeman
May 18, 2026 2:21 pm ET

LIRR employees have walked off the job over a wage dispute, shutting down the country's busiest commuter railroad.The striking union workers number about 3,500.... A report last year from the Empire Center pegged average total pay at the railroad at nearly $122,000 in 2024, roughly 75% above the average U.S. wage calculated by the Social Security Administration.

NEW YORK POST

NYC Schools chancellor makes whopping $363K — more than Mayor Mamdani: source
By David Spector
Published May 31, 2026, 12:16 a.m. ET

City Hall has not publicly disclosed Samuels' pay, and declined multiple requests by The Post to confirm his salary — a move good government groups found baffling. "If this data's not public, this is definitely not transparent, this is not the city people promised us. Wasn't transparency one of Mamdani's calls to action? We'd love to see that transparency," **Empire Center President**

USA TODAY

NY gets OK to end health coverage for 460,000 due to federal cuts
By: Chris McKenna
March 25, 2026, 6:00 a.m. ET

New York has gotten permission to undo a health insurance expansion in response to federal funding cuts... An analysis this month by the **Empire Center for Public Policy** concluded that New Yorkers in the disqualified income range would be eligible for federal subsidies that cover 67% to 80% of their premiums. That would result in annual premiums of roughly $2,000 to $3,200

The Washington Post

Working overtime to rip off taxpayers
Editorial Board
May 6, 2026

Some workers end up with pensions larger than their salaries, according to a new report from the Albany-based Empire Center for Public Policy... For many New York public employees hired before 2010, pension benefits are calculated based on years of service and the last three years of earnings... That means workers have strong incentives to ... jack up their pay in the last three years before retirement. The most straightforward way to do that is to work a ton of overtime, which is often made simple by union contracts that prioritize voluntary overtime hours by seniority.

Newsday

Median Teacher Pay exceeds $120G in Nassau, Suffolk
By: By Dandan Zou and Michael R. Ebert
Jul 6, 2026

"Performance should be the driving factor of how much they earn," **Silenas** said. "The teacher should be paid by what they achieve, not how expensive it is to live on Long Island."

NEW YORK POST

Why Kathy Hochul & NY Dems fear questions about Medicaid fraud
By Post Editorial Board
Published March 23, 2026, 6:46 p.m. ET

Gov. Kathy Hochul denounces the federal probes of New York's Medicaid outlays as politically motivated, but **Empire Center health expert Bill Hammond** lays out state Democrats' political motives for squelching any investigation. "The governor and other top state officials rely heavily on political support — and campaign donations — from Medicaid-funded health-care interests"

TORT REFORM

Making it easier to do business in New York

Authored by Cary Silverman, a partner in Shook, Hardy & Bacon L.L.P.'s Public Policy Group. This paper has been produced for the Empire Center.

In a wide range of areas, New York law subjects residents and businesses to greater liability than other states.

Unlike most other states, New York allows unlimited noneconomic and punitive damage awards. New York has among the most nuclear verdicts (i.e., verdicts $10 million or more) in personal injury and wrongful death cases in the country. Premises liability, medical liability, and auto accident trials most often result in verdicts at these high levels.

Ironically, New York caps the amount a victim of a frivolous personal injury lawsuit can recover at just $10,000, a level that has not changed in over 40 years.

Fraud appears to be rampant in New York with reports of staged auto accidents, construction-site injuries, and slip-and-fall claims.

New York hosts among the most class action lawsuits. The state is known for consumer class actions challenging food and beverage labeling, which have tripled in recent years.

New York families pay the second highest tort costs in the nation, over $7,000 per household, which is 67% above the national average of $4,207.

Families pay the second highest tort costs, over $7,000 per household, 67% above the national average

In nearly every category of insurance coverage – from healthcare to construction – insurance premiums (and the losses that drive them) are higher in New York than any other state. On average, New Yorkers pay over $4,000 annually for full auto coverage, nearly $1,500 above the national average and among the highest amounts in the country.

New Yorkers pay over $4,000 annually for full auto coverage, nearly $1,500 above the national average

New York's doctors and hospitals consistently face the highest medical liability payouts per capita and highest total payouts in the country, affecting the availability of affordable healthcare.

For these reasons and others, the American Tort Reform Foundation has consistently named New York City a "Judicial Hellhole"—a jurisdiction that is systemically imbalanced against defendants in civil litigation.

New York is Losing Residents & Businesses

Excessive lawsuits and liability impact both the affordability of living in New York and the competitiveness of New York's businesses.

New York is also facing an exodus of businesses due to the rising cost of operating in the state. Major employers are trimming back their workforce and some businesses are moving their headquarters elsewhere.

New York City lost about 5,000 businesses since last spring, the largest decline since the pandemic. Small business owners have been particularly hard hit.

Longstanding Problem Areas

These are five areas in which New York's liability laws are out of the mainstream and reforms that would foster a more balanced litigation environment and advance the interests of New Yorkers.

Comparative fault. Under New York's "pure comparative fault" system, individuals who are largely responsible for their own injuries can still recover damages, a minority approach among states. This approach rewards reckless behavior.

New York should amend CPLR § 1411 to adopt "modified comparative fault," which bars recovery when a plaintiff is primarily at fault, while reducing damages proportionally in other cases. The FY 2026-27 budget includes this change, but for motor vehicle accident claims only.

Joint and several liability. In New York, a person can sue and recover the full amount of damages from a single defendant, even when that party bears only minimal responsibility – a system most states have abandoned or limited. While New York distinguishes between economic and noneconomic damages, significant exceptions remain—particularly in auto cases—often leaving low-fault defendants liable for disproportionate shares. This framework incentivizes "deep pocket" lawsuits.

New York should amend CPLR § 1601 to take an approach consistent with states such as New Jersey and Pennsylvania. At minimum, it should eliminate the auto exception found in CPLR § 1602.

The Scaffold Law. New York is the only state that imposes "absolute liability" on property owners and contractors when a worker experiences an elevation-related injury, such as a fall or a falling object. The Scaffold Law raises the cost of projects ranging from school construction to affordable housing.

New York should enact a new provision of the Civil Practice Law & Rules that permits juries to consider the responsibility of all parties involved in a construction accident, just as they do in other personal injury cases.

Predatory and undisclosed litigation funding. New York recently took its first steps to regulate "lawsuit loans," but significant gaps remain in addressing both consumer protection and broader litigation funding practices.

New York should amend Article 10 of the Financial Services Law to strengthen protections against predatory lawsuit loans, regulate commercial litigation funding, and require full disclosure of all litigation funding agreements.

An excessive judgment interest rate. New York applies a 9% interest rate to judgments, which the state has not adjusted in 45 years. This high rate penalizes those who defend themselves in court.

New York should amend CPLR § 5004 to replace this fixed rate with one indexed to market rates, as in most other states.

HEALTH CARE
Informing Legislators

Excerpt of testimony of Bill Hammond, senior fellow at the Empire Center, before the US Joint Economic Committee, June 24, 2026,

New York's Medicaid-funded home care system has long raised concerns about overuse, weak oversight and fraud. Those concerns were reinforced on June 16, when the U.S. Justice Department filed a Medicaid fraud lawsuit centered on the Consumer Directed Personal Assistance Program, or CDPAP, a fast-growing form of home care that allows Medicaid recipients to hire, train and manage their own caregivers, including friends and family members.

The lawsuit does not target marginal actors operating in the shadows. It names two top officials in the state Health Department—Commissioner James McDonald, Medicaid Director Amir Bassiri, and Public Partnerships LLC, or PPL, the contractor chosen to take over CDPAP statewide.

PPL is accused of systematically overbilling Medicaid, while McDonald and Bassiri are accused of rigging the procurement process in PPL's favor and covering up the alleged fraud. All three have denied wrongdoing.

The case raises serious questions about CDPAP's top-level management and possible corruption in state government. But it also points to a larger problem: the program's underlying structure remains highly vulnerable to waste, abuse and fraud.

CDPAP spending has increased more than ten-fold over the past decade, from less than $1 billion in 2016 to $11.2 billion in 2024. New York now employs almost three times as many home health and personal care aides per capita as the national average, even though its elderly and disabled populations do not explain that gap.

At the same time, New York's nursing home population remains above average, suggesting that extraordinary home care spending is not reliably achieving its stated goal of keeping people out of institutions.

CDPAP is invaluable for many disabled New Yorkers. It gives people more control over their care and can help them remain at home. But preserving that benefit requires stronger oversight, better eligibility controls and more serious enforcement.

Background

Launched in 1995, CDPAP was designed to help severely disabled people live in the community rather than in institutions. Unlike traditional home care, it lets recipients direct their own services. Caregivers are not licensed professionals; they provide mostly non-medical help with daily activities such as bathing, eating, shopping, housekeeping and getting in and out of bed. Fiscal intermediaries handle payroll and related clerical duties.

Major policy changes in the 2010s expanded the program. Eligibility was broadened to people with mental disabilities who relied on designated representatives, and more relatives became eligible to be paid caregivers.

At the same time, New York shifted management of Medicaid home care to managed long-term care plans, which had incentives to promote CDPAP because it was typically cheaper than agency-based care.

Hundreds of fiscal intermediaries entered the market, many for-profit, and some advertised heavily that people could be paid to care for elderly relatives.

The result was explosive growth. State figures released in 2020 showed the state share of CDPAP costs rising more than 800 percent in five years, from $287 million in fiscal year 2015-16 to a projected $2.8 billion in 2020-21—about $5.6 billion including federal matching funds.

By 2024, CDPAP alone cost $11.2 billion.

Lawmakers tightened eligibility rules in 2020, but implementation was delayed by federal pandemic "maintenance of effort" rules and subsequent state inaction.

In 2024, Governor Kathy Hochul and the Legislature adopted a different reform: replacing hundreds of fiscal intermediaries with one statewide contractor. Later that year, the state awarded PPL a five-year, $1 billion contract; PPL took full charge in August 2025.

The consolidation appears to have slowed enrollment growth, and the Hochul administration says it is saving more than $1 billion annually. But the Justice Department lawsuit alleges that the Health Department steered the contract to PPL and that PPL overbilled Medicaid in violation of its contract terms.

Structural vulnerabilities

The risks in Medicaid personal care are well known. For at least two decades, the federal Office of Inspector General has warned that personal care services are vulnerable because they are delivered by minimally trained, unlicensed aides in private homes with little on-site supervision. In a 2021 advisory, the office cited "significant and persistent compliance, payment, and fraud vulnerabilities," as well as cases in which patients had been harmed or neglected.

CDPAP heightens some of those risks because caregivers can be friends or relatives. That arrangement can be humane and appropriate, but it can also make patients reluctant to complain when services are not provided.

Federal prosecutors have documented cases in which patients, aides and fiscal intermediaries conspired to bill Medicaid for care that never occurred, including a 2020 indictment alleging aides were paid while running errands, dining out, touring wineries or taking a Caribbean cruise.

Yet enforcement in New York has been limited. A 2016 OIG study found that the state's Medicaid Fraud Control Unit obtained only four personal care fraud convictions from 2012 through 2015—0.3 percent of the national total in a state with 6 percent of the U.S. population and unusually high personal care spending.

Over the past five years, New York's unit has ranked near the bottom nationally for investigations, indictments and convictions per billion dollars of Medicaid spending.

The state Health Department has also lagged on electronic visit verification, a basic tool for confirming that aides showed up as scheduled. *(continues on the next page)*

A 2024 state comptroller audit found no electronic visit verification records for 44 percent of personal care claims over a 26-month period, involving $14.5 billion in payments.

Red flags

New York's scale of home care spending is an alarm bell. From 2015 to 2021, state spending on personal care, including both CDPAP and agency-based care, increased by 178 percent. During the same period, the state's over-65 population grew by just 17 percent.

Federal data show that New York Medicaid spent $28 billion on home- and community-based services for the elderly and disabled in 2023, or $1,440 per state resident. That was 232 percent above the national average and the highest among the 50 states.

Bureau of Labor Statistics data tell a similar story: in 2025, New York had 663,140 home health and personal care aides, or 33 per 1,000 residents—the highest rate in the nation and 163 percent above the national norm.

Those figures are especially striking because Medicaid managed long-term care enrollment is concentrated in New York City, which has about 43 percent of the state population but roughly 80 percent of plan enrollees. Local spending and employment rates are therefore likely even higher than statewide averages.

A final red flag is New York's nursing home population. Five of every 1,000 state residents live in nursing homes, about one-third above the national average. That is a troubling result for a state spending extraordinary sums on home care, a benefit intended to help elderly and disabled people avoid institutions.

Reform efforts

State officials have recognized CDPAP's growth problem but have struggled to control it.

In 2020, then-Governor Andrew Cuomo and the Legislature tightened medical eligibility rules, limiting personal care to recipients needing help with at least three activities of daily living, or at least two for people with dementia. The same legislation authorized a 30-month financial lookback for home care applicants, addressing a loophole that allowed people to transfer assets and qualify for Medicaid home care almost immediately.

Those reforms were delayed during the pandemic and beyond. The state began enforcing the medical eligibility rules only in the fall of 2025 and has not yet implemented the 30-month lookback.

The 2024 consolidation sought to reduce fraud and create economies of scale by replacing hundreds of intermediaries with one contractor. It also banned advertising, which had helped fuel enrollment growth.

The plan drew opposition from consumers worried about care disruptions and from contractors losing business. The major stakeholder supporting it was 1199 SEIU, which stood to gain dues-paying members by organizing caregivers employed by the new contractor.

The federal suit now alleges that the Health Department rigged the selection process for PPL; that PPL misrepresented its software, staffing and financial reserves; and that it padded fees in violation of the contract.

Prosecutors do not specify the alleged overbilling total, but they describe scenarios in

which improper charges could have reached into the billions over the five-year contract.

Even if consolidation helped slow enrollment growth, the state likely could have achieved that goal through a fair procurement, a better-qualified contractor and stricter contract enforcement.

Recommendations

New York should treat the lawsuit as a warning and an opportunity.

CDPAP should be preserved, but not in its current form.

State officials should cooperate with prosecutors, support court oversight of the PPL contract if necessary, and choose a new contractor through a transparent process conducted outside the Health Department.

They should also commission an independent review of the accused officials' actions.

Beyond the contract scandal, the state should:

- conduct a detailed review of CDPAP enrollment and utilization to identify overuse and abuse;

- review the nursing home population to determine whether more residents could live safely in the community;

- monitor the 2025 medical eligibility rules;

- implement the 30-month financial lookback;

- make full use of electronic visit verification;

- consider conducting in-home visits to verify proper service delivery; and strengthen personal care fraud enforcement.

The federal government also has a role. CMS should monitor New York's response to the lawsuit and consider withholding aid if the state fails to improve CDPAP management.

In conjunction with the HHS Office of Inspector General, CMS should develop a model policy for controlling waste and fraud in Medicaid personal care services and press states to adopt it.

EDUCATION

Busting Myths, Informing Parents, Advocating for Reform

New York's fourth-grade and eighth-grade students score below the U.S. average in mathematics, and only about average in reading. In Grade 4, **New York is outshined by Mississippi** and Florida in reading and Texas and Massachusetts in mathematics.

At the same time, New York is planning to spend **$37,033 per student** in the 2026–27 school year. That represents a 4.9 percent increase over the current year—well above inflation, and nearly double the U.S. average, which was $17,619 in 2024.

New York has **11.7 students per teacher, while the U.S. average is 15.4**. Private universities have 11.3 students for each faculty member.

New York also pays teachers more, with average full-time pay reaching nearly $100,000. **Half of the full-time educators earned more than $90,000**, and in some school districts, the average pay exceeds $120,000 – meaning some people make even more.

New York spending on K-12 schools – **$90 billion – is enough to run a state or country**; the total budget of Ukraine, a country fighting a full-scale war, is $113 billion.

New York has built an education system that spends at elite levels, staffs at near private-college ratios, and pays accordingly—yet delivers results that are, at best, middling.

Given New York's financial resources, we should have the best education system in the world. **New York's students are robbed of opportunities their parents and taxpayers paid for.**

Here is how we start changing it.

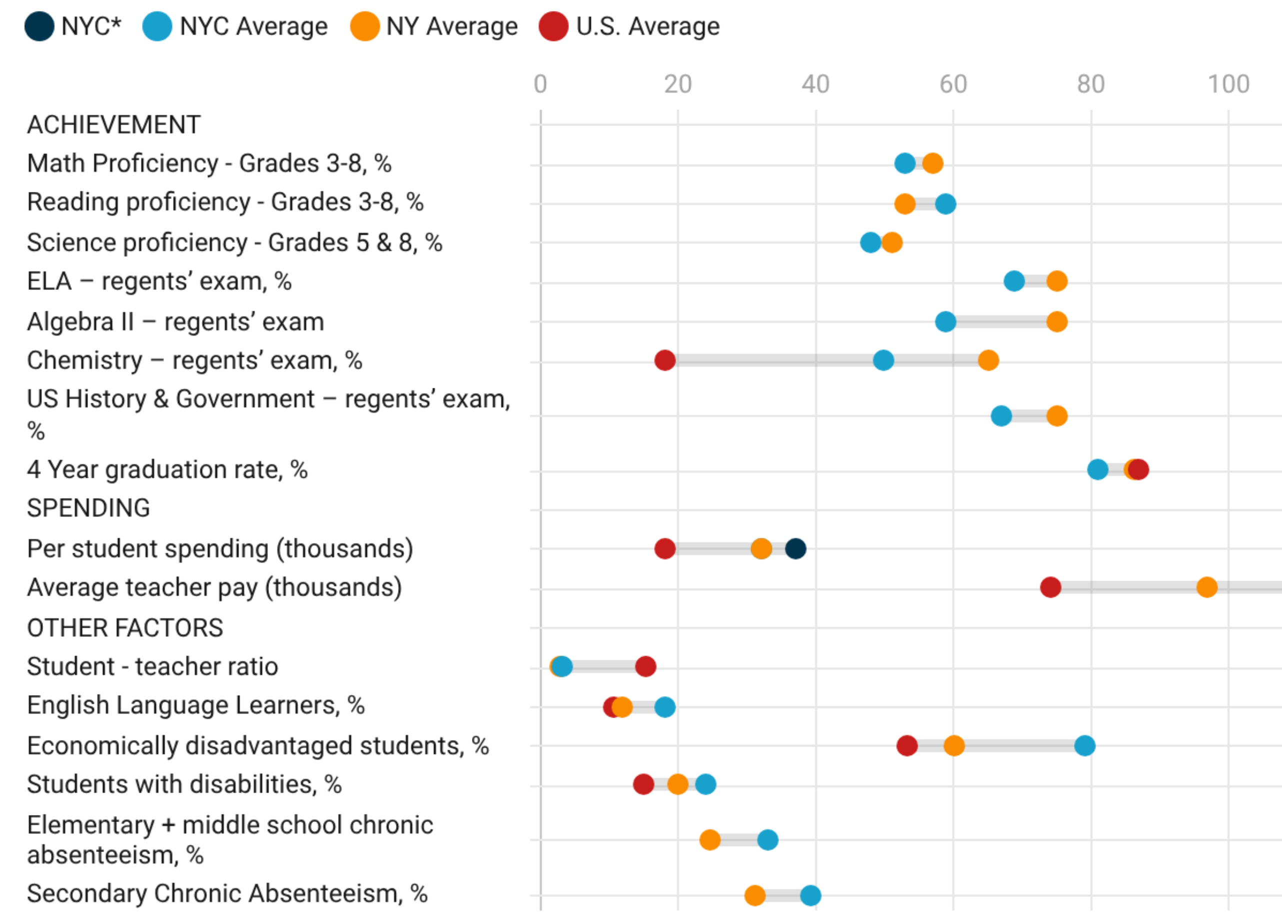
First - informing New Yorkers. Most do not know that schools fail despite sky - high spending. Our K-12 SOS dashboards have been stirring up trouble all across New York. The idea that New York overspends and underachieves is slowly becoming mainstream.

The chart on the right is an extract from the third iteration of our K-12SOS dashboard (and the simplest yet) to deliver the facts about New York's schools to New Yorkers. It will be spread through media and hitting inboxes of legislators and candidates.

Second - pathway to reform. We are already working on conceptual alternatives to the current system.

We are already mapping what the system would look like, if families could decide where to send their kids to school. How would schools change if New York rewarded excellence and achievement?

New York City School District Averages 2024-2025



** NYC Average uses the official NYSED 2024–25 Public School Report Card per-pupil spending measure. NYC** is calculated from School District Fiscal Profiles by dividing total expenditures by total public-school enrollment and therefore includes costs excluded from the official NYSED measure.*

Created with Datawrapper

Go to EmpireCenter.org/K12SOS to see how your school district compares. Or contact us directly for more detailed insights

PENSIONS

How Pension 'Spiking' Drives Up Costs for New York Taxpayers

Authored by Bill Hammond, Senior Fellow at the Empire Center and Abdullah Ar Rafee, Data Manager at the Empire Center, adapted for this report

Each year, hundreds of newly retired government workers across New York garner a benefit that would be unheard-of in the private sector: pensions that exceed the salaries they received while still on the job.

This is possible only because most current retirees can include virtually unlimited amounts of overtime pay in the earnings used to calculate their pension payouts.

That rule has incentivized state and local employees, especially police officers and firefighters, to work as much overtime as possible at the end of their careers, a practice known as "pension spiking."

Pension spiking drives up costs for taxpayers in two ways – first by adding to overtime pay for active employees, and then by boosting pension payouts when they retire.

Cost-cutting reforms adopted in 2009 and 2012 imposed restrictions on spiking for people hired after 2009. But for workers hired before then, unlimited spiking has remained a legal option – and a common practice.

Now, Governor Hochul and the Legislature are debating whether to roll back the reforms of 17 years ago. Among other changes, this could retroactively open the door to pension spiking for a new generation of public employees – and pile higher costs onto taxpayers for generations to come.

To illustrate the stakes of this issue, the Empire Center analyzed pay patterns for a sample of employees in two agencies: the New York State Police and the Suffolk County Police Department.

We found that employees retiring in 2024 dramatically increased their overtime – by 78 percent at the state police and 73 percent at the Suffolk P.D. – during their last three years, the window that is the basis for calculating pension payouts.

During that period, the soon-to-be retirees averaged approximately 387 hours of overtime per year at the state police, and 497 hours in the Suffolk P.D. Those figures are the equivalent of 7.4 and 9.6 hours per week, respectively.

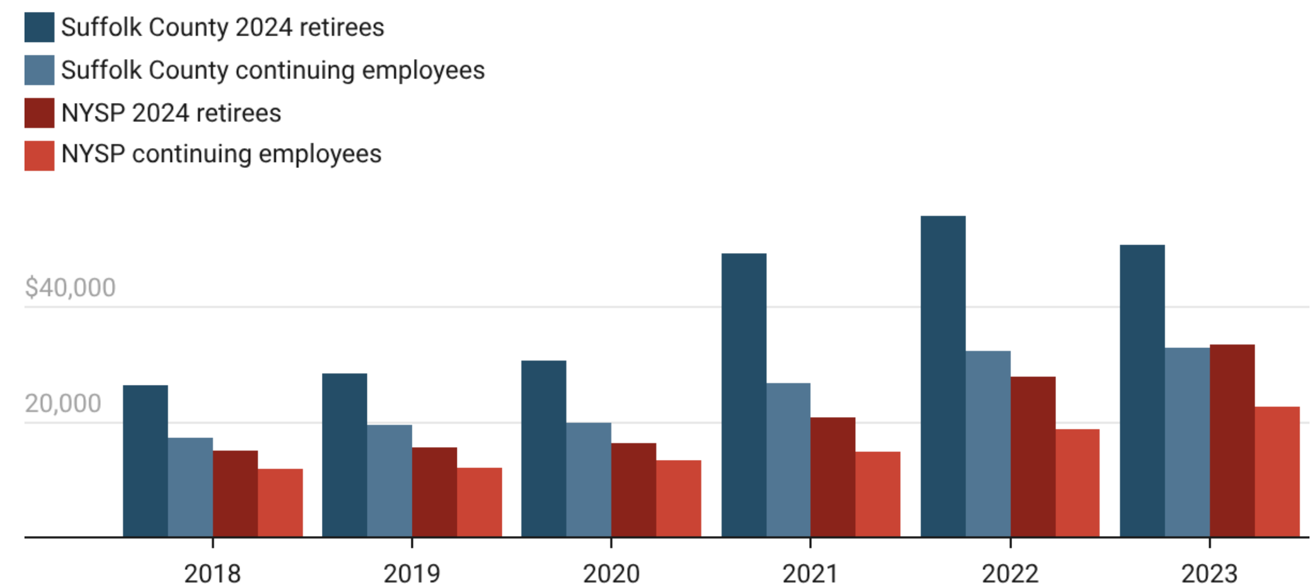
Overtime boosted the sampled officers' final three years of pay by an average of 28 percent at the state police and 34 percent in the Suffolk P.D.

That, in turn, increased their annual pension payouts by the same ratios, approximately adding an extra $20,000 annually for state police retirees in the sample and $39,000 for Suffolk retirees in the sample – amounts they are entitled to receive, with cost-of-living adjustments, for the duration of their retirements.

A quarter of the sampled workers – 17 percent of the state police retirees and 43 percent of the Suffolk retirees – boosted their pensions enough to exceed their final base salaries.

If these averages are extrapolated, they indicate that spiking increases costs for the overall Police and Fire Retirement System

Average overtime pay for sampled Suffolk County Police Department and New York State Police employees



SCPD sample includes 134 SCPD employees who retired in 2024 and 1,347 continuing employees. The continuing employees, i.e. the control group includes active employees filtered to the same base pay ranges and bargaining units as the retiring cohort. NYSP sample includes 206 NYSP employees who retired in 2024 and 2,785 continuing employees. The continuing employees, i.e. the control group includes active employees filtered to the same base pay ranges and bargaining units as the retiring cohort.

by tens of millions of dollars annually for each new class of retirees – and hundreds of millions over the course of their retirement years.

The reforms of 2009 and 2012, known as Tier 5 and Tier 6, did not fully ban spiking, but imposed a cap. For police and fire workers hired since then, overtime can account for no more than 15 percent of the earnings used to calculate pensions.

If that limit had applied to retirees in the analyzed sample from 2024, it would have reduced spiking by about 46 percent for the state police sample and 56 percent for the Suffolk County sample.

Eliminating that cap is one of many pension enhancements that state lawmakers are currently considering as part of negotiations over the state budget. These proposals – which public employee unions have dubbed "Fix Tier 6" – would potentially apply to all pension funds for government workers and include other costly changes such as lowering minimum retirement ages and reducing employee contributions.

Although officials have not yet published a formal fiscal analysis of any of the proposals under discussion, this report makes clear that lifting the cap on pension spiking – one of many proposals on the table – would by itself add substantially to costs for taxpayers.

(continues on the next page)

Detailed findings

For each group, agency and bargaining unit, the analysis then compared how overtime utilization changed between the two three-year periods, 2018-20 and 2022-2024.

As seen in Table 1, both retirees and non-retirees were paid for higher amounts of overtime, on average, in the second three-year period. However, the increase for NYSP employees on the verge of retiring was 25 percentage points higher than the increase for employees who remained active. For SCPD retirees, the overtime rate was 19 points higher.

This general pattern held for almost every sub-group analyzed, with one exception: in the Suffolk County detectives' bargaining unit, the rate of increase for retirees was five points smaller than for active employees.

The added overtime use, by itself, added to pension payouts and costs for taxpayers. If the 340 retirees had used the same amounts of overtime as their non-retiring colleagues, their combined annual pensions would have been $2.6 million smaller – and taxpayers would have saved $47 million over the next 20 years.

Conclusion

The state's pre-2012 government pension rules – which apply to most current retirees – create a powerful incentive for employees to work as much overtime as possible at the end of their careers, especially among law enforcement officers.

This analysis demonstrates that recent retirees responded to that incentive: They "spiked" their overtime by roughly three-quarters in their final three years, adding tens of thousands of dollars to their annual pensions.

Those findings, when extrapolated to the overall Police and Fire Retirement System, indicate that spiking costs tens of millions of dollars for each new cohort of retirees – and hundreds of millions over the duration of their pension-collecting years.

The 2010 and 2012 reforms put limits on this practice but stopped well short of a complete ban. Workers hired since then still get pension credit for a substantial amount of overtime – as much as 15 percent of their final average salary.

As part of their "Fix Tier 6" agenda, however, public employee unions are proposing to remove that limit and reopen the door to virtually unlimited spiking. By definition, the money spent on that change – as with all pension sweeteners – will flow to people who are no longer performing services for the public.

Before approving such changes, Governor Hochul and the Legislature should be honest about how much more of the taxpayers' money they will be spending – and how little, if anything, taxpayers will receive in return.

Board of Directors

Financials

Income ($000's)

	FY2025
Foundations	465
Individuals	462
Commercial entities	168
Other	26
TOTAL	1,122

Expenditures ($000's)

	FY2025
Personnel	629
Contractors	54
Fixed expenses	79
Other	73
TOTAL	835

Empire Center's Fiscal Year runs from October 1st to September 30th. Fiscal Year 2025 represents the time period from October 1st, 2024 to September 30, 2025.

We are grateful for your support

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