



This Week in New York

Covering New York State and City Government

*A Publication of Pitta Bishop DelGiorno & Giblin LLC
September 25, 2009 Edition*



In the News – New York State

Governor Calls for Fiscal Integrity...Again

State Budget Director Again Issues Zero Growth Call Letter

Although delivered by a different messenger, the all-too familiar message is loud and clear: New York State is still in its financial hell and there is no end in sight.

State Budget Director Robert Megna this week issued the annual Call letter to State Agency heads, officially starting the 2010-2011 budget season and echoing the “hold the line on spending directive” which has become the mantra of New York budgeting.

“...you must submit a 2010-11 budget request that limits your agency's spending to no greater than the prior year level,” Mr. Megna directed. “...We must find additional innovative solutions to providing essential services at a lower cost, while eliminating non-core functions.”

Turn back to September 2008, when then-director Laura Anglin wrote “Governor Paterson has asked that you submit a 2009-10 budget request that limits your agency’s spending to no more than the current year level...It will require that you advance creative proposals for reducing costs, streamlining your operations, and increasing productivity.”

Turn back to August 2007, when then-director Paul Francis wrote “... it will be necessary to reduce spending below the current services level in most agencies in order to achieve a balanced budget that still invests in the Governor’s core priorities. Therefore, you should begin to develop savings options that, at a minimum, would hold spending to a level no greater than current year spending....”

Despite the austerity directives, New York has been plagued by deficits since 2006. In January 2006, New York had a budget surplus of \$2 billion. Financially wounded by a significant regional and national economic downturn, New York has chronically faced deficits and has been forced to impose interim budget cuts to stop the bleeding. In April, the 2009-2010 budget “closed” the largest budget deficit in New York’s history.

The 2009-2010 State spending plan totaled \$131.9 billion, an increase of \$10.4 billion or 8.5 percent. The increase in spending was primarily related to Federal Stimulus Aid (\$440 million in 2008-09 and \$7.2 billion in 2009-10) and costs from increased Medicaid caseloads (\$532 million in 2008-09 and \$1.4 billion in 2009-10).

Although most New Yorkers are being buoyed by rising 401k balances, the state continues to see revenue decreases as tax income continues to come in below estimates.

As New York begins its budget season, Governor David Paterson projects the current year deficit to balloon to \$3 billion. The State has already tapped unused sources of money through "sweeps" of budgeted but unused funds from state agencies and authorities and it has expended federal Medicaid money that could be used for other purposes.

Wednesday's leader's meeting showed just how far apart the leaders are in terms of solving the problem. Governor Paterson looked to the Legislature for suggestions. Assembly Speaker Sheldon Silver vowed to work with the Governor, but stuck to earlier, lower budget deficit estimates. Senate Democrat John Sampson called for firm numbers.

The key to New York's recovery appears to be in Lieutenant Governor Richard Ravitch's ability to draw upon his resume which includes helping New York City avoid financial meltdown in the 1970s.

State Looks to Private Support to Put the Games Back On

Parks Plan for Empire State Games Includes \$1 million private fundraising campaign

The New York State Office of Parks, Recreation and Historic Preservation this week announced a plan to reinstate the full slate of the 2010 Hugh L. Carey Empire State Games. A two-year \$1 million private fundraising goal is a key part of the four-point plan to put the Empire State Summer Games, Winter Games, Senior Games and Games for the Physically Challenged on solid financial footing.

"Meeting our fundraising goal is critical to the long-term viability of the Empire State Games program," said State Parks Commissioner Carol Ash, whose agency oversees the Games. "While we are able to ensure that the full slate of 2010 Games will continue, we must adapt to financial realities by creating a more self-sustaining program for future competitions. A \$1 million level of private support will establish the foundation to help keep the Empire State Games' flame alive for the coming years."

To reach the goal, State Parks has issued a request for proposals for sponsorships of the Games. The agency hopes to attract a Primary Sponsor, who may be entitled to naming rights, a prominent presence at Games' ceremonies and recognition as "Title Sponsor" in all areas of promotion. The agency is also seeking proposals for subordinate sponsorships, which may be attached to particular classes of competition, such as the Senior Games or may offer promotional opportunities at particular sports or events at the Games. Contributions of in-kind products or services, such as athletic clothing and apparel, sports equipment, lodging and transportation, will also be considered.

In addition, a newly formed Empire State Games Advisory Committee, whose membership includes Ed Rutkowski former Buffalo Bill and State Parks Western District Regional Director. The group will assist in soliciting donations and sponsorships for the Games from private companies, foundations and interested individuals.

According to Commissioner Ash, private fundraising is part of a balanced approach to ensure the four Empire State Games programs will continue in the difficult economic climate. Other steps include:

- ▶ *Implementing \$400,000 in broad-based participant fees.* All athletes who try out for the Winter and Summer Games will pay a new \$10 registration fee. Open division Summer Games athletes will pay a \$25 housing fee. In addition, the registration fee for Summer and Winter Games Masters division athletes and all participants in the Senior Games will be increased from \$25 to \$40.
- ▶ *Reducing expenses.* The agency expects to save \$500,000 by eliminating some competitions, scaling back on special events and programs, reducing clothing for athletes and volunteers, and curtailing equipment and venue rentals. The savings will reduce total program cost for the Games from over \$3 million to \$2.5 million, not including administrative and staff support for the Games.
- ▶ *Reinstating state support.* New York State will provide \$1.7 million over two years, including funding from the New York State Lottery, the Empire State Development Corporation and the General Fund. State Parks will continue to cover the \$600,000 annual cost for staffing and administrative support of the Games (also supported by the state's General Fund.).

The Summer Games, which will be held in July, 2010 in Buffalo, draws more than 6,000 athletes in three divisions, Scholastic, Open, and Masters. The Winter Games, held in February in Lake Placid, attracts 1,400 participants in three divisions, Scholastic, Open, and Masters. The Senior Games, held in June in Cortland draws 2,000, and the Games for the Physically Challenged, which take place in May in Long Island and September in Brockport, involves 1,400 participants.

In New York City

NY Hospital Queens Receives \$4 million HEAL Grant for Emergency Care

New York Hospital Medical Center of Queens will receive a \$4 million grant through the Health Care Efficiency and Affordability Law of New York State (HEAL NY) program to renovate and expand its Emergency Department. Governor David Paterson and state Department of Health Commissioner Richard Daines announced the award today at a ceremony at the Queens Medical Center.

“We are honored that Governor Paterson has come to New York Hospital Queens to announce grant funding for New York State hospitals and the great borough of Queens,” Stephen S. Mills, President and Chief Executive Officer of New York Hospital Queens, said. “This HEAL funding is critical to local health care institutions that have had dramatic budget cuts. As hospitals face the possibility of additional budget cuts, it is more important than ever to have opportunities for grant funding that will allow us to provide greater accessibility to the urgent care that our community needs.”

New York Hospital will utilize the funding to expand the current Emergency Department to include 14 new treatment spaces, a short-stay unit to reduce admissions, and support space.

HEAL funding is awarded in phases for specific health-care related initiatives. This phase of HEAL funding was awarded to health care facilities to advance health information technology, support capital restructuring and long-term care improvements. The funds will be allocated through both the New York State Department of Health (DOH) and the Dormitory Authority of the State of New York (DASNY).

“HEAL grants offer hospital systems and community-based health centers strategic and comprehensive means to reduce costs and eliminate duplication of services,” Assemblymember Grace Meng explained. “Each phase provides essential component for health care reform in New York that improves patient care while assisting communities in creating where possible alternatives to costly nursing home care. I thank Governor Paterson and Commissioner Daines for their support of these important initiatives right here in Flushing.”

New York Hospital has seen a significant increase in Emergency Room visits due to the recent closing of neighboring facilities.

“In the last year alone, Queens has lost three hospitals” Senator Toby Stavisky said. “That is why this HEAL funding comes as such a welcome respite. I thank Governor Paterson for his commitment to the special needs we have in Queens.”

Senate Civil Service Committee Calls for Update on DCAS Plan

Senator Savino to Hold Hearing on the Plan to reduce NYC Provisional Appointments

The Senate Civil Service and Pensions Committee, chaired by Staten Island Democrat Diane Savino, will hold a public hearing in October to review the current status of the New York City Department of Citywide Administrative Services’ (DCAS) plan to reduce the number of provisional appointments in New York City, as required under Chapter 5 of the Laws of 2008.

Recognizing the “concern regarding the number of provisional appointments maintained by the city of New York” and that the individuals holding these provisional appointments are “performing essential public functions,” the State Legislature passed legislation (Chapter 5 of the Laws of 2008) to facilitate the employees’ transition from provisional to permanent status.

Specifically, the legislation established a mechanism to (1) allow for the development and administration of appropriate competitive examinations and to (2) make appointments from the resulting eligible lists “in a manner that ensures the continued quality and effectiveness of governmental operations.” Chapter 5 of the Laws of 2008 requires that DCAS employers submit a binding plan for approval by the State Civil Service Commission and that the plan be fully implemented within five years of approval, with provision for a one-year extension.

The Senate Civil Service and Pensions Committee’s public hearing, scheduled for Wednesday, October 21st at 10 a.m. in the Senate Hearing Room at 250 Broadway, will enable the Committee to be updated on the progress of the plan. The Committee has invited representatives from the City of New York and the State Civil Service Commission and affected employees to testify.

Public input is requested concerning:

- ▶ The current status of DCAS’s Five-Year Provisional Reduction Plan.
- ▶ Requests for jurisdictional reclassification of positions outside of the competitive class.
- ▶ The current status of established and certified eligible lists.
- ▶ Competitive civil service examination administration.

Additional information regarding the hearing can be obtained from Barbara O’Neil, Legislative Director of the Senate Civil Service & Pensions Committee. Ms. O’Neil can be reached at 518-455-2405 or boneill@senate.state.ny.us.

In Brief

Governor Recognizes Shinnecocks

Governor David Paterson has endorsed the Shinnecock Indian Nation’s bid for federal recognition, according to published reports. In a letter dated September 22nd to Secretary of Interior Ken Salazar, Governor Paterson wrote, “to say federal recognition of the Shinnecock is long overdue would be an understatement” and called for the Obama administration to recognize the Southampton-based tribe. If they are federally recognized, the tribe members could build a Class II gaming center on their 800-acre reservation, a designation which would allow them to install video slot machines.

State Comptroller Places Limits on Campaign Contributions

State Comptroller Thomas DiNapoli signed an executive order this week banning any investment advisor who makes a campaign contribution to anyone holding or seeking the Comptroller's office from doing business with New York's massive Common Retirement Fund. The ban, which Comptroller DiNapoli is implementing in advance of expected action from the Securities and Exchange Commission, would apply for two years after a political contribution is made. It goes into full effect in 45 days, and relates to new business — meaning companies already doing business with the fund would still be able to make contributions. The ban does not apply to relatives of a firm's employees.

WMBE City Contracts Total More Than \$1 billion since 2007

Despite a 25 Percent Decrease in City Procurement Spending in FY 2009, Contracts to MWBEs Rose to \$487 Million

Since FY 2007, more than 19,000 City contracts and subcontracts worth more than \$1.2 billion have been awarded to the City's certified MWBE firms. The City's MWBE program was revamped in 2006 to help eliminate hurdles that discourage companies from participating in the procurement process. Since the implementation of the MWBE program, the number of City-certified MWBE firms and the contracts awarded to them has increased. The number of firms certified in FY 2009 increased 37 percent to 2,200, up from 1,604 at the end of FY 2008 and 1,236 at the end of FY 2007. In fiscal year 2009, MWBE firms were awarded more than 7,000 prime- and sub-contracts worth \$487 million. In FY 2008, MWBE firms won close to 6,500 awards worth \$468 million. In FY 2007, MWBEs won more than 5,000 awards worth \$254 million.

Coming Up

New York City

Tuesday, September 29th

Committee on Civil Rights & Committee on Immigration, Council Chambers, 10 a.m.

Res 2172-2009 Resolution calling upon the United States Congress to pass the Uniting American Families Act of 2009 (H.R.1024/S. 424) or other legislation which would provide a mechanism under the Immigration and Nationality Act to allow United States citizens and legal permanent residents in binational same-sex relationships to sponsor their foreign-born partners for lawful permanent resident status in a manner consistent with the legal requirements and rights currently enjoyed by opposite-sex couples.

Committee on Community Development, Committee Room, 10 a.m.

Oversight – Update on the Center for Economic Opportunity

Committee on Aging, Hearing Room – 250 Broadway, 16th Fl, 10 a.m.
Oversight - An Update to the Modernization of DFTA's Case Management Services

Committee on Mental Health, Council Chambers, 1 p.m.
Oversight - An Update Regarding Crystal Methamphetamine Usage, Education and Prevention Efforts, and Treatment in New York City

Committee on Environmental Protection, Hearing Room -- -250 Broadway, 14th Fl., 1 p.m.
Oversight - EPA 3rd National Assessment of Air Toxics and New York City Air Toxic Risk.

Committee on Waterfronts, Committee Room, 1 p.m.
Res 1816-2009 Urging the State to reclassify clean or processed dredged sediment from a “solid waste” to a “beneficial use” in order to increase its potential for beneficial reuse.

Wednesday, September 30th

Subcommittee on Planning, Dispositions and Concessions, Committee Room - City Hall, 10 a.m.

Committee on Land Use, Committee Room - City Hall, 10 a.m.

Committee on General Welfare, Council Chambers, 11 a.m.
Res 2145-2009 -- Amend the Social Services Law to provide that persons living with clinical/symptomatic HIV/AIDS, and who are receiving shelter assistance or an emergency shelter allowance, shall not be required to pay more than 30% of their household's monthly income toward

Committee on Finance, Committee Room, 11 a.m.

City Council, Stated Meeting, 1:30 p.m.

Thursday, October 1st

Subcommittee on Public Housing, Committee Room, 10 a.m.
Oversight – The Section 3/Resident Employment Program and NYCHA's Use of the Federal Stimulus Dollars

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