



This Week in New York

Covering New York State and City Government

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March 30, 2018 Edition



In the News – New York State



Still Waiting



Senate & Assembly Hoping to Close Down Elusive Budget Deal

The 2018-2019 budget deal continues to elude the legislative leaders and the Governor. Throughout the week, they have been “working very hard”, “making progress,” and “very close.” However, as they get close on the major issues, smaller items surface.

“We’re getting close,” said Senator John DeFrancisco. “It’s just smaller items popping back and forth.”

The Legislature worked into the early hours this morning, passing “bare bones” Article VII bills. The more controversial portions of these bills were “intentionally omitted” and could be included in a “big ugly” bill to be released when a final agreement is reached or not at all.

As of this morning, bare bones versions of the General Government and Public Protection Article VII language bill, the Education and Labor Article VII language bill, and the Transportation and Economic Development Article VII language bill have been passed by both houses. The Debt Service bill passed last week. The Senate has also passed the Legislative and Judiciary budget.

Also this morning, the Aid to Localities bill & the Health & Mental Hygiene Article VII bill have been printed, marking agreement on the major pieces of the budget. That leaves two appropriation bills –Capital Projects and State Operations and – and one Article VII bill –Revenue (aka “the big ugly”) – to be printed.

With each passing hour, the start of the Passover and Easter seasons near. And, there is the specter of budget extenders looming in the background.

The Legislature is scheduled to leave for a two-week break following the budget.



A.G. Announces Record Number Of Data Breach Notices For 2017

Hacking Continues to Drive the Data Breach Numbers

AG Schneiderman to Introduce Legislation to Require Companies like Facebook to Provide Notification if Users' Personal Info is Misused

Attorney General Eric Schneiderman today released "Information Exposed: 2017 Data Breaches in New York State," documenting the record number of data breach notices filed with his office in 2017. In 2017, companies and other entities reported 1,583 data breaches to NYAG, exposing the personal records of 9.2 million New Yorkers – four times the number of New Yorkers impacted in 2016.

Attorney General Schneiderman announced that he would introduce legislation to require Facebook and other social media sites to notify his office and New York consumers when they learn that users' personal data was obtained and misused in violation of the law or the platform's terms of service.

"We saw a record number of data breaches in 2017, jeopardizing the personal information of 9.2 million New Yorkers," Attorney General said. My office will continue to hold companies accountable for protecting the personal information they manage – but it's also time for Albany to bring our laws into the 21st century and ensure that New Yorkers are not needlessly victimized by weak data security and criminal hackers."

According to the report, New Yorkers' exposed information consisted primarily of social security numbers, accounting for 40% records exposed, followed by financial account information (such as credit card numbers), accounting for 33% of records exposed. Hacking was the leading cause of the data security breaches at 44%, with another 25% of breaches due to negligence.

2017 saw an increase of more than 23% in the total number of reported security breaches affecting New York residents from the previous year.

There were two mega-breaches (a breach that affects over 100,000 New Yorkers) in 2017. Most notably, the breach at consumer reporting agency Equifax, which compromised the social security numbers of over 145 million people in the United States, including 8,447,840 in New York. The next largest breach was at Gamestop in which over 111,000 New Yorkers had their financial information exposed to hackers.

In the News – New York City



City Officials Support Local 3 Spectrum Employees on One Year Anniversary of Strike

City officials rallied this week with Local 3 International Brotherhood of Electrical Workers (IBEW) to mark the one-year anniversary of their strike against Spectrum.

On Wednesday, hundreds of IBTW Local 3 workers gathered outside Spectrum's New York City headquarters to protest the company's refusal to come to the negotiating table. Prior to the rally, City Council members gathered at City Hall to voice their support of the workers and to send Charter a message.

“I’m going to remind Spectrum, in 2019 your franchise agreement will be up for renewal. You will have to come through my committee to get that franchise agreement renewed,” Councilman Rafael Salamanca, chair of the land use committee, said in published reports. “And I will stand with my friends here in labor and ensure to give you a hell of a hard time unless you come back to the table and give these families what they deserve.”



Members of Local 3 went on strike March 28, 2017 following repeated attempts to negotiate a contract with then Time Warner Cable, now Charter Spectrum. The Local 3 members formerly employed by Time Warner Cable (TWC) before the purchase by Charter had been working under an expired agreement. Both TWC and Charter refused to bargain with Local 3 for over two years.

“We want to make sure that there are provisions in this next agreement that protect the integrity of workers, that value workers, that have health and safety and compensation provisions,” Councilman I. Daneek Miller, Chair of the Council’s Civil Service and Labor Committee, said.

According to Local 3, which represents 1800 NYC-area technicians and their families, Charter is looking for workers to forfeit their union benefits in favor of company health and retirement plans.



Wall Street Profits & Bonuses Up Sharply in 2017

Securities industry profits rose dramatically in 2017 for the second consecutive year and the average bonus paid to industry employees in New York City jumped 17 percent to \$184,220 according to an estimate released by New York State Comptroller Thomas DiNapoli.

"When Wall Street does well, the city and state benefit from higher tax revenues," Comptroller DiNapoli said. "The large increase in profitability over the past two years demonstrates that the industry can prosper with the regulations and consumer protections adopted after the financial crisis. It is too soon to tell how increased volatility in the financial markets might impact profits in 2018."

Pretax profits for the broker/dealer operations of New York Stock Exchange member firms (the traditional measure of securities industry profits) rose by 42 percent in 2017 after increasing by 21 percent in 2016. Profits totaled \$24.5 billion in 2017.

Employment in New York City's securities industry dipped slightly in 2017, averaging 176,900 jobs. Despite recent gains, employment in the securities industry in the city is still 6 percent smaller than before 2007, while the rest of the private sector in the city has grown by 23 percent.

Despite the job loss, the industry remains a key component of the city's economy. The industry generated more than one-fifth of all private sector wages paid in the city. Comptroller DiNapoli estimates that nearly 1 in 10 jobs in the city are either directly or indirectly associated with the securities industry.

Comptroller DiNapoli also reported:

- The average salary (including bonuses) in the city's securities industry (\$375,200 in 2016, the latest annual data available) was five times higher than in the rest of the private sector (\$74,800). Nearly one-quarter (23 percent) of the industry's employees in the city earned more than \$250,000, compared with 2 percent in the rest of the city's workforce.
- Comptroller DiNapoli estimates that the securities industry accounted for 18 percent (\$13.5 billion) of state tax collections in state fiscal year 2016-2017 and 6 percent (\$3.2 billion) of city tax collections in city fiscal year 2017.
- New York City's budget assumes that the bonus pool for securities industry employees in the city will increase by 11 percent. Based on Comptroller DiNapoli's estimate, the city may realize a small amount of additional revenue.



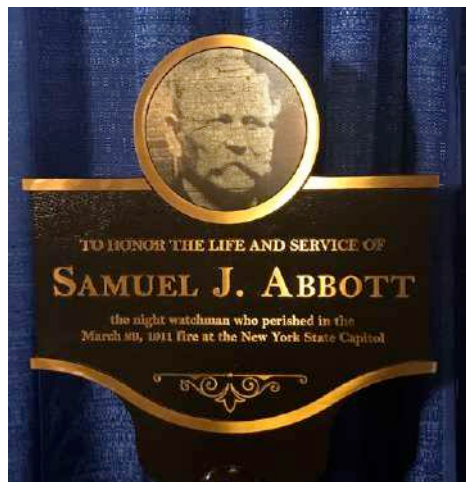
Mayor Signs Legislation Extending Rent Stabilization Laws

Mayor de Blasio this week signed legislation that affirms New York City remains in a housing emergency and extends rent regulation laws for three years, through April 1, 2021. The City law is based on the 2017 Housing and Vacancy Survey, which shows a 3.63% vacancy rate.

A vacancy rate below 5% allows the State rent regulation laws to continue to be effective in New York City. As rent regulation comes up for renewal in Albany next year, the de Blasio administration will fight for vital reforms to retain the stock of rent stabilized apartments, ensure current tenants are secure in their homes, and protect the benefits of rent stabilization for future tenants. Those reforms include:

- End High-Rent Vacancy Decontrol: The City is calling for the elimination of vacancy decontrol. Currently, a vacant apartment with a rent of \$2,733.75 per month may be deregulated.
- End the Vacancy Allowance: The City is calling for the elimination of the 20 percent increase in monthly rent when tenants vacate an apartment.
- Limit Individual: Apartment Improvement (IAI) and Major Capital Improvement (MCI) Increases: The City is calling for limits on how landlords can use permanent rent increases for building-wide or individual apartments.

Briefs



Far More Than Just a Ghost Story

Samuel Abbot Memorial Plaque Unveiled at Capitol

On Thursday, the 107th anniversary of the 1911 Capitol Fire, a new plaque dedicated to the memory of Samuel J. Abbot was unveiled. The plaque honors Abbot, a night watchman who was the only fatality of the 1911 fire and is located outside the 3rd floor Library in the State Capitol Building. A 1st Lieutenant in the Civil War, he is credited with saving irreplaceable artifacts from the State Library during the fire. His story is the center of the annual Haunted Capitol tours, as his spirit is said to guard the building.

Office of General Services Commissioner RoAnn Destito, Senator Catherine Young (R-Olean), and Assemblywoman Patricia Fahy (D-Albany) led the dedication ceremony. Senator Young and Assemblywoman Fahy sponsored legislation Chapter 104 of 2017 authorizing the installation of the memorial plaque.

Mr. Abbot was “far more than just a ghost story,” Senator Young said. “He “was a hero and an extraordinary New Yorker who deserves to be remembered.”

Rockaways Rising

The Rockaways neighborhood in Queens experienced record job growth and business sales since Superstorm Sandy, according to a report released this week by New York State Comptroller Thomas DiNapoli. The population has nearly returned to the pre-storm level, but many homeowners are still in the process of rebuilding.

Private sector employment declined by 11 percent between 2011 and 2013, but recovered quickly, setting a new record of 14,900 jobs in 2016. Job growth remained strong during the first half of 2017, rising by 4.6 percent (twice the citywide rate).

Health care was the largest employer in the Rockaways, accounting for 39 percent of all private sector jobs. More than half of the jobs gained between 2013 and 2016 were concentrated in health care, restaurants and bars, and personal services (e.g., hair and nail salons).

Business sales dipped in the aftermath of Superstorm Sandy, but reached \$149 million in 2016, the highest level ever and exceeding the pre-storm level by 35 percent. In 2016, there were 1,215 businesses in the Rockaways, 11 percent more than before Superstorm Sandy. Most businesses are small (81 percent had fewer than 10 employees; two-thirds had fewer than five employees).

Coming Up

New York State

The Legislature is not scheduled to be in session the week of April 2nd

New York City

The City Council has no scheduled meetings for the week of April 2nd

The next issue of *This Week in New York* will be published on April 20th.

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