



This Week in New York

Covering New York State and City Government

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"Obstacles don't define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail." Governor Kathy Hochul

In the News-New York State

New York's Budget Negotiations Move into Final Stages



Governor Hochul Taps Former State Budget Director to Lead Team as Executive Budget 30-day Amendments Released



Senate and Assembly Fiscal Committees Complete Public Hearings & Begin Drafting One-House Budget Proposals



As the State moves closer to the April 1st start of the 2023-2024 fiscal year, Governor Kathy Hochul, Senate Majority Leader Andrea Stewart-Cousins, and Assembly Speaker Carl Heastie are readying for the upcoming negotiations. The three agreed this week on the State's available revenues for the 2023-2024 period, announcing consensus on a two-year revenue figure that is \$800 million above the Executive Budget estimates.

On Tuesday, Governor Hochul announced the appointment of Robert Megna as New York State Budget Director, effective immediately. Megna served as Budget Director from 2009 to 2015, during which, Governor Hochul noted, the State achieved its highest financial rating in 40 years from three major credit rating agencies. He plans on serving through this legislative session and assisting with the search for a long-term budget director. Megna will then return to the State University of New York where he serves as President of the Rockefeller Institute of Government and Senior Advisor to the Chancellor.

"Bob brings a wealth of experience and knowledge built over his multi-decade career in New York State government, and I am grateful for his commitment to public service and his leadership during this crucial time," Governor Hochul said. "It is imperative that we continue to make New York safer, more affordable and more livable, and I know Bob's expertise will help us move these critical priorities forward..."

Meanwhile, the Senate Finance Committee Chair Liz Krueger and Assembly Ways and Means Chair Helene Weinstein this week concluded the Executive Budget public hearings, with Higher Education, Health, and Housing stakeholders both defending the Governor's Budget and appealing to the Legislature for relief.

Following today's release of the [30-day amendments](#)--Governor Hochul's last chance to fine tune her fiscal plan--the Senate and Assembly will develop and release their one-house budget proposals with a target date of mid-March for the launch of the legislative budget conference committees.

Megna's previous service includes Senior Vice President for Finance and Administration at Stony Brook University, Senior Vice Chancellor and Chief Operating Officer of SUNY, Executive Director of the New York State Thruway Authority, Commissioner for Taxation and Finance, Director of the Revenue and Economics Unit at the Division of Budget, and Deputy Director of Fiscal Studies on the Assembly Ways and Means Committee. He has also chaired the Financial Restructuring Board, the New York Racing Association, and the Public Authorities Control Board.



Attorney General James Announces Price Gouging Rules to Protect Consumers and Small Businesses

New York Attorney General Letitia James this week issued [proposed rules to protect consumers and small businesses](#) from corporate profiteering. According to the Attorney General, the rules would strengthen enforcement of New York's price gouging law by setting clear guardrails against price increases during emergencies. The proposed rules are open to a 60-day public comment period.

New York's price gouging law bans companies throughout the supply chain from taking advantage of a market disruption to increase their profits for vital and necessary goods and services. The statute asserts that an abnormal market disruption is caused by extreme weather events, military action, energy disruptions, strikes, or national or local emergencies, or another event that leads to a declared state of emergency. In 2020, the New York State Legislature amended the law to empower the Attorney General with rulemaking authority.

The proposed rules include actions to:

- **Clarify that a price increase over 10 percent during an abnormal market disruption may constitute price gouging.** State law asserts that when there is a "gross disparity" in prices before and after an abnormal market disruption, it may be price gouging. By stating that a 10 percent increase represents a "gross disparity," the proposed rule makes it easier for consumers and small businesses to identify and report price gouging, deters price gouging, provides enforcers with an easily administrable standard for enforcing the price gouging statute, and is widely used by other enforcers.

- **Prohibit corporations with large market shares from increasing profit margins during abnormal market disruptions.** The rule clarifies that dominant companies with 30 percent market share, and companies in concentrated markets, have unfair leverage and the power to drive market-wide changes. Therefore, they cannot increase their profits during abnormal market disruptions at the expense of New Yorkers.
- **Create guardrails for companies that rely on dynamic pricing.** According to the Attorney General, dynamic pricing means prices can change depending on demand and time of day, and is favored by some companies, including ride-hailing services. With this pricing model, it is currently difficult to determine if a company is price gouging. This rule allows OAG to establish a benchmark by using the median price for the same good or service at the same time one week before the emergency or market disruption. This will allow for a much quicker analysis of whether illegal price gouging occurred during frequent significant weather events and emergencies that abnormally disrupt service markets.
- **Include protections for products or services introduced after a market disruption.** A new product or service that is created following an emergency can be considered vital and necessary, and therefore can become subject to enforcement of the price gouging statute. During the ongoing COVID-19 pandemic, OAG received many complaints about price gouging on goods and services introduced in response to the pandemic, such as COVID-19 at-home tests and medical treatments. These products became necessary after the pandemic started. Future crises also may result in price gouging on new products or services.
- **Provide clarification for what companies can claim as costs when setting prices.** A company that raises their prices more than 10 percent must show a record of their costs to justify the price increase. This rule details what does and does not count as a cost for purposes of an affirmative defense.

Comments can be submitted by emailing: stopillegalprofiteering@ag.ny.gov. According to the Attorney General, after reviewing public comments, the rules may be promulgated as is or may be revised upon further analysis.

In the News-New York City



Mayor Adams Unveils Mental Health Agenda

New York City Mayor Eric Adams and New York City Department of Health and Mental Hygiene (DOHMH) Commissioner Dr. Ashwin Vasani this week announced “Care, Community, Action: A Mental Health Plan for New York City,” a mental health agenda that will invest in child and family mental health, address the overdose crisis, and support New Yorkers living with serious mental illness (SMI).

Over the coming months, the City will roll out the following initiatives:

Child/Family Health:

- Launch telehealth program for New York City high school-aged teens that will both provide ongoing support and serve as an entry point to higher levels of care.
- Initiate suicide prevention pilot programming at NYC Health + Hospitals for youth entering emergency departments for suicide attempts and community-based suicide prevention programming to specifically serve Black and Brown youth.

Overdose Crisis:

- Progress toward the City's goal to reduce overdose deaths by 15 percent by 2025.
- Expand non-fatal overdose response efforts to at least three additional hospital emergency departments.
- Strengthen the 14 syringe service providers into a network of Harm Reduction Hubs with comprehensive services like a place to rest, addiction services, and medical and mental health services.
- Implement at least four Public Health Vending Machines that dispense naloxone to increase access in neighborhoods with high rates of overdoses.
- Explore opportunities to expand overdose prevention centers (OPCs) to areas of the City with the highest rates of overdose death, continue to support the two existing OPCs with the goal of allowing them to operate 24 hours per day, and also continue to advocate for legal pathways to fund and operate OPCs. Under Adams' plan, New York City would have a total of five overdose prevention centers open by 2025.

SMI Support:

- Expand clubhouse capacity, double the number of New Yorkers living with SMI that get connected to community care.
- Expand the Behavioral Health Emergency Assistance Response Division (B-HEARD) program citywide, connecting New Yorkers with SMI with four pillars of care: health care, housing, community, and crisis response.
- Expand mobile treatment capacity over the next year to serve 800 more people with high service needs through Intensive Mobile Treatment (IMT) and Assertive Community Treatment (ACT).
- Add an additional 8,000 units of supportive housing, and invest \$7 million more to significantly increase Clubhouse capacity over the next four years.
- Collaborate with state partners to develop a streamlined referral system to care, expediting referrals from hospitals, jails, and shelters.

According to the Mayor, this agenda brings an additional \$20 million to the \$370 million in investments by the Adams administration in New York City's care continuum and crisis response.

"The COVID-19 pandemic — with the stress, isolation, and anxiety it brought so many of us — pushed mental health to the forefront of the conversation," said Mayor Adams. "When it comes to health, we can no longer ignore the brain and focus just on the body any longer; we must address the whole person, and the whole system. By investing in family and child mental health, addressing the overdose crisis, and supporting New Yorkers with serious mental illness, this plan focuses on where our need is greatest, going upstream to build a healthier city for all New Yorkers."



Bills Approved by the City Council

Introduction 663-A--Sponsored by **Council Member Oswald Feliz**--Restrict the sale, lease, or rental of powered mobility devices, such as e-bikes and electric scooters, and storage batteries for the devices that fail to meet recognized safety standard certification.

Introduction 722-A--Sponsored by **Council Member Robert Holden**--Requires the FDNY to submit five reports (one per year for five years) related to fire risks associated with powered mobility devices, such as e-bikes and electric scooters.

Introduction 656-A--Sponsored by **Council Member Gale Brewer**--Requires the FDNY, in consultation with the Department of Consumer and Worker Protection (DCWP), to develop an information campaign to educate the public on the fire risks posed by powered mobility devices such as e-bikes and electric scooters.

Introduction 752-A--Sponsored by **Council Member Gale Brewer**—Restricts the assembly and reconditioning of lithium-ion batteries with cells removed from used batteries, and their commercial sale.

Introduction 749-A--Sponsored by Council Member Alexa Avilés--Require DCWP to develop and publish educational materials on e-bike safety risks and mitigation measures materials for delivery workers.

Introduction 756-A--Sponsored by **Council Member Kamillah Hanks**--Requires the Office for Neighborhood Safety and the Prevention of Gun Violence (ONS) to provide training and operational support to service providers in the City's crisis management system.

Introduction 439-A, sponsored by **Council Member Nantasha Williams**--Requires the Mayor's Office of Criminal Justice (MOCJ) to evaluate the performance of criminal justice programs that receive city funding to improve services, published in an annual report to the Mayor and Council.

Introduction 522-A--Sponsored by **Council Member Erik Bottcher**--Requires mental health professionals to be available in each Department of Homeless Services (DHS) shelter serving families with children. The bill would require a ratio of one full-time mental health professional for every 50 families.

Introduction 524-A--Sponsored by **Council Member David Carr**--Authorize a new interest rate for primary resident property owners with a combined income of no more than \$200,000 and whose property has an assessed value of no more than \$250,000, who have entered property tax payment plans with the City and stay current on those plans. This would provide these homeowners with a lower rate to resolve outstanding property taxes than those who have not entered payment plans to pay back taxes.



Share of City's Contracting with Minority & Women-Owned Businesses Remains "Woefully Small"

The City and its agencies are still falling abysmally short of goals to contract with diverse businesses for goods and services, according to New York City Comptroller Brad Lander's [Annual Report on M/WBE Procurement](#). In Fiscal Year 2022, Black-owned vendors received under 2% of the value of City contracts, while Latino-owned firms fared little better. In total, just 5.2% of the value of all new City contracts and purchase orders registered in Fiscal Year 2022 went to certified Minority and Women-Owned Businesses (M/WBEs).

According to the Comptroller, M/WBE-certified businesses accounted for still only 15.9% of the narrower universe of City contracts and purchase orders subject to M/WBE participation goals set by Local Law 174 (LL 174). This percentage actually fell slightly from 16.3% in FY20 and 16.5% in FY21. LL 174 mandates elected offices and mayoral agencies set goals for the number of contracts with M/WBEs for standardized, professional, and construction services as well as goods up to \$1 million.

The report snapshots agency rates and compares M/WBE LL 174-governed participation rates by industry. The Department of Small Business Services (90.1%), Department of Cultural Affairs (85.2%), and Department of Buildings (79.6%) had the highest share of M/WBE contract value. The Department of Small Business Services, Department of Correction, and the Office of the Comptroller were the three most improved agencies increasing their share of M/WBE contract value from FY20 to FY22. Meanwhile, procurements for Construction and Standard Services lagged behind those for Goods and Professional Services in meeting M/WBE procurement goals.

The Comptroller's *Annual Report on M/WBE Procurement* (previously known as *Making the Grade*) provides a comprehensive review of contract registration data to analyze the City and its agencies' performance in awarding M/WBEs contracts based on procurement method, dollar value, and industry.

Key findings of the Comptroller's report included:

- Black, Latino, Asian American women-owned, and Native American-owned enterprises each represent less than 2% of the value of all FY 22 registered contracts subject to LL174 participation goals. The City awarded over 70% of the total value of FY 22 M/WBE contracts to firms owned by white women or Asian American men.
- Women-owned firms receive far less than their share of the counts of registered contracts and purchase orders (POs). Male-owned MBEs account for more than double (11,713) the total number of contracts and POs registered to women-owned M/WBEs (5,338, including white WBEs).
- While many City agencies increased the number of contracts awarded to M/WBEs, the average value of a new contract registered in FY22 to an M/WBE (\$670,000) was nearly eight times smaller than the average awarded to a non-certified firm (\$5.01 million).

- In FY 22, fewer than 18% of City-certified M/WBEs registered a new contract, purchase order or approved subcontract with the City.
- Subcontracting and M/WBE compliance processes are paper-based, opaque, and ineffective. The current M/WBE compliance mechanisms are also too reliant on self-reporting from City agencies and prime vendors as well as inputted into outdated or underutilized systems, which limits accountability as well as the City’s ability to meet the requirements of the M/WBE program.
- When M/WBEs do receive contract awards, they are not paid on time. Approximately 55% of M/WBE contracts registered in FY22 were retroactive, worse than the citywide rate of approximately 52%. This is a particular challenge for smaller firms without sufficient working capital to endure long wait times for payment.

Briefs

New York to Double Number of Retail Cannabis Dispensary Licenses

The New York state Cannabis Control Board and the Office of Cannabis Management (OCM) will double the number of adult-use licenses in the State from 150 to 300, Governor Kathy Hochul's office announced this week.

To date, the OCM has received about 900 applications for licenses and has issued 66 Conditional Adult Use Retail Dispensary (CAURD) licenses. The OCM will make recommendations in April to the Cannabis Control Board on the majority of the remaining applications in the areas of the state not impacted by a court-ordered injunction. CAURD licenses for dispensaries in the FingerLakes, Central NY, Western NY, Mid-Hudson & Brooklyn areas are hold pending court action.

| Region | Previous Allocation | New Allocation |
|---------------|---------------------|----------------|
| Brooklyn | 19 | 38 |
| Capital | 7 | 14 |
| Central | 7 | 14 |
| Finger Lakes | 9 | 18 |
| Long Island | 20 | 40 |
| Manhattan | 22 | 44 |
| Mid-Hudson | 17 | 34 |
| Mohawk Valley | 2 | 4 |
| North Country | 4 | 8 |
| Queens | 16 | 32 |
| Richmond | 3 | 6 |
| Southern Tier | 3 | 6 |
| The Bronx | 10 | 20 |
| Western NY | 11 | 22 |
| Total | 150 | 300 |

“With this expansion, more entrepreneurs will be able to participate in the first wave of this industry, allowing them to capitalize on the growing demand for cannabis products,” Tremaine Wright, chair of the Cannabis Control Board said. “As more businesses enter this market, the innovation and competition will increase, leading to better quality experiences for consumers. The expansion of New York's cannabis market will benefit everyone involved in this exciting industry.”

Comptroller DiNapoli: One in Ten New York Households Suffer From Food Insecurity

Comptroller Calls for Expansion of Federal Programs

Approximately one in ten, or about 800,000, New York households experienced food insecurity at some point between 2019-21, according to [a report](#) from State Comptroller Thomas DiNapoli.

The report found that the number of households facing food insecurity declined during the COVID-19 pandemic due to federal relief programs and the expansion of federal food assistance programs. Comptroller DiNapoli raised the concern that food insecurity may grow as federal benefits lapse. Notably, additional Supplemental Nutrition Assistance Program (SNAP) benefits expired on March 1st.

For the 2019-2021 period, New York's rate of food insecurity was 10.3%, slightly lower than the U.S. average of 10.4%. New York's rate of food insecurity is 4.1 percentage points lower than the peak of 14.4% reported in the 2012-2014 period. Food insecurity in New York, and nationally, continued trending downward even through the COVID pandemic due to federal policy actions. These actions enhanced income and increased assistance available through federal nutrition programs, including SNAP and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

However, Comptroller DiNapoli warned this downward trend may be abating as federal relief programs lapse and food prices continue to rise. Overall food prices are significantly higher since spring 2021, increasing 10.4% nationally and 8.6% in the New York-Newark-Jersey City area from December 2021 to December 2022.

In the summer of 2021, 7.3% of New Yorkers reported food insufficiency, with higher rates in households with children. By November 2022, food insufficiency grew to 10.8% of New Yorkers and rates for households with children increased to 13.4%.

Governor Hochul Announces New Measures to Combat Rise in Child Labor Violations and Labor Trafficking

New York State Department of Labor Will Develop New Child Labor Task Force, Create Employer Pledge Program to Protect Youth Workers, Establish Labor Trafficking Response Unit

In light of a 68 percent spike in reports of child labor violations in 2022 in New York State, Governor Kathy Hochul and the New York State Department of Labor (NYSDOL) are taking steps to ensure the safety and well-being of youth workers.

Specifically, the New York State Department of Labor will develop a new Child Labor Task Force, create an employer pledge program, and expand the Division of Immigrant Policies and Affairs' anti-trafficking work to establish a Labor Trafficking Response Unit.

NYS DOL will encourage employers in hospitality, restaurants, fast food, and physically-taxing industries like manufacturing, food processing, construction, farming, and landscaping to educate their employees on labor rights and the signs of labor trafficking. This will include encouraging employers to take a pledge to protect youth workers.

Coming Up

New York State

Tuesday, March 7th

To Receive Testimony on How to Identify and Examine Best Practices for Integrating Doulas into New York's Maternal Healthcare System, as well as Recommendations for Policies that Provide Sustainable Medicaid Reimbursement Rates for Doulas

Joint – Senate Standing Committee on Health & Mental Health

Van Buren Hearing Room A, Legislative Office Building, 2nd Floor, Albany, 1 p.m.

Wednesday, March 8th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, 2 p.m.

Senate Session, New York State Capitol Building, Senate Chamber, Albany, 3 p.m.

Thursday, March 9th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, TBD

Senate Session, New York State Capitol Building, Senate Chamber, Albany, TBD

New York City

Monday, March 6th

Committee on Finance, Council Chambers – City Hall, 10 a.m.

Oversight - Preliminary Budget Hearing – Finance

Tuesday, March 7th

Committee on Immigration, Council Chambers – City Hall, 10 a.m.

Oversight - Preliminary Budget Hearing – Immigration

Committee on Environmental Protection, Resiliency and Waterfronts, Committee Room - City Hall, 10:30 a.m.

Oversight - Preliminary Budget Hearing - Environmental Protection

Committee on Small Business, Committee Room – City Hall, 1 p.m.

Oversight - Preliminary Budget Hearing - Small Business

Committee on Land Use, 250 Broadway - Committee Room, 14th Floor, 12:00 p.m.

Oversight - Residential Conversion of Commercial Buildings.

Committee on Oversight and Investigations, Council Chambers - City Hall, 3:30 p.m.

Oversight - Preliminary Budget Hearing - Oversight and Investigations.

Thursday, March 9th

Committee on Transportation and Infrastructure, Council Chambers – City Hall, 10 a.m.

Oversight - Preliminary Budget Hearing - Transportation and Infrastructure

Joint - Committee on Land Use & Technology, Committee Room - City Hall, 10:30 a.m.

Oversight - Preliminary Budget Hearing - Land Use & Technology

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