



This Week in New York

Covering New York State and City Government

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In the News – New York State



Chief Judge DiFiore Calls For Overhaul of NYC Housing Court & Plans to Address NY's Opioid Crisis in State of Judiciary Address

Chief Judge Janet DiFiore this week delivered her second annual State of Our Judiciary address, announcing a range of new court system reforms including changes to the New York City Housing Court and expansion of opioid intervention programs.

Judge DiFiore highlighted the recent report of the Special Commission on the Future of the New York City Housing Court which included recommendations to improve Housing Court facilities, institute procedures to reduce overcrowding, and promote expeditious proceedings.

“We are wasting no time in implementing the Commission’s excellent recommendations,” Judge DiFiore said. “Chief Administrative Judge Lawrence K. Marks will lead a group of high-level judges and court managers. This group will follow through on major structural and operational changes, adoption of new court rules and legal forms, relocation and redesign of facilities, access to justice enhancements, and expanded technology and alternative dispute resolution.”



According to Judge DiFiore, reforms are “critical” with the New York City Council having enacted the Universal Access to Legal Services Law -- which when fully implemented over five years will provide free legal representation to all low-income tenants facing eviction.

In the State of the Judiciary Judge DiFiore also addressed the State’s opioid crisis, noting the success of the Buffalo City Court’s recently launched Opioid Treatment Intervention Court where prosecution of cases is suspended at arraignment for those who enter treatment immediately.

Also, she detailed the new Overdose Avoidance and Recovery Track (OAR) in New York City Criminal Court in the Bronx. The program is tailored to offenders at high risk of opioid overdose, linking them to immediate treatment and giving them a chance to stay out of jail. The OAR model allows for the defendant, with the consent of all parties, to enroll in an individualized treatment program before a plea is entered.

“The protocol adopted in Bronx County highly incentivizes treatment as the District Attorney has agreed, where no new arrests occur while the case is pending, and upon completion of treatment, to dismiss the case and have the record sealed,” she said, reporting that the OAR approach will be expanded citywide.

Judge DiFiore also discussed the ongoing progress of the Excellence Initiative, a comprehensive plan begun in 2016 to eliminate case delays and improve the quality of justice services systemwide. Specifically, she highlighted a 61 percent reduction in the oldest pending misdemeanor cases in New York City; reductions in the oldest pending felony cases of 91 percent in the Ninth Judicial District, 77 percent in the Seventh Judicial District, 65 percent in Suffolk County and 56 percent in the Fourth Judicial District.

Judge DiFiore also reported reductions in civil case backlogs both in and outside New York City, including a 36 percent reduction in Brooklyn, a 30 percent reduction in Queens, a 69 percent reduction in Nassau County, a 57 percent reduction in the Third Judicial District, a 49 percent reduction in the Fifth Judicial District and a 37 percent reduction for foreclosures alone in the Eighth Judicial District.

Other initiatives highlighted by the Chief Judge include expansion of centralized arraignment courts to ensure effective legal representation for indigent criminal defendants in arraignment proceedings in rural areas during off hours and on weekends; continuation of efforts to identify measures to prevent wrongful convictions; creation of a commission to examine the current state of mandated representation for indigent parents in child neglect and other Family Court proceedings; and implementation of new uniform practice rules for appellate practice.

Joint Legislative Schedule For Adopting SFY 2018-2019 Budget

The Legislative leaders this week announced an agreement on a joint legislative budget schedule that sets deadlines for the adoption of an on-time state budget. The agreed-to legislative budget schedule for 2018 is as follows:

- February 28 (on or before)** Senate & Assembly Economic / Revenue Reports Released
- February 28 (tentative)** Joint Revenue Forecasting Conference
- March 1 (on or before)** Revenue Consensus Report
- March 14** Senate & Assembly One House Budget Actions
- March 14** Joint Senate & Assembly Budget Conference Committees Commence
- March 22** Joint Conference Committees End
- March 27-29** Joint Legislative Budget Bills Taken Up by Senate & Assembly

In the News – New York City



CBC Identifies \$160 Million In Savings From Better Management Of NYC's Union-Administered Benefit Funds

The Citizens Budget Commission (CBC) this week released the report *Union-Administered Benefit Funds: Getting More Out of a Billion Dollar Taxpayer Contribution*, which gives short-term and long-term recommendations for improving the “inefficient operations of union-administered benefit funds.” Restructuring fund administration, CBC found, could save \$163.8 million in taxpayer funds annually and improve benefits to which City employees have access.

According to CBC, in fiscal year 2018, New York City is projected to contribute \$1.1 billion to 108 union-administered benefit funds. Union benefit funds are trusts established by unions to provide additional health, legal, and educational benefits or function as annuities to supplement retiree pension income for members. However, audits and annual reports conducted by the NYC Comptroller's office found that many funds incur excessive administrative expenses, build unnecessary reserves, or suffer from mismanagement.

"Audits of individual union benefit funds often show serious mismanagement issues including lack of documentation for millions of dollars in payments," said CBC President Carol Kellermann. "Increased scrutiny is necessary to save taxpayer funds in the short term, but the City must consolidate these funds to provide better benefits at a lower cost."

To reduce administrative costs, control reserve levels, and improve management practices, CBC recommends that the Office of the NYC Comptroller increase its oversight of union-administered benefit funds through the following actions:

- Conduct more audits on benefit funds and prioritizing audits based on risk factors.
- Enhance financial and operating guidelines for benefit funds by adding benchmarks and specific indicators that can trigger enforcement powers.
- Seek expanded authority to sanction funds that fail to adhere to guidelines and remove fund officials who fail to properly manage members' benefits.

In the long term, CBC recommends the City restructure how benefits are provided in two key areas:

- Consolidate supplementary health care benefits under the City's Health Insurance Plan since the majority of the benefit funds offer similar benefits.
- Provide non-health related benefits through a centralized plan where eligible employees choose from a list of benefits, allowing for benefits to be tailored to individuals.

For the full report visit <https://cbcny.org/research/union-administered-benefit-funds>.



Comptroller Stringer Launches 2018 M/WBE University to Increase Access to Citywide Opportunities

New York City Comptroller Scott Stringer announced “M/WBE University,” a year-long series of workshops designed to help M/WBEs get certified with the City, navigate the procurement process, and gain access to government business.

According to the Comptroller, while City agencies are making important strides in delivering contracts to M/WBEs, major gaps remain. Last year, the City awarded just over \$1 billion in contracts to M/WBEs, which represent only 4.9 percent of all awards.

“Four years ago ... We started analyzing and holding agencies accountable for how – and to whom – it delivers contracts. We saw deep inequities, and a playing field that was far from level...” Comptroller Stringer said. “... If we’re going to have a true five-borough economy where everyone has a fair shot, we have to make sure our M/WBEs are successful.”

The list of workshops includes:

February 23

Doing Business with NYC as an IBM, CDW, or Ricoh Partner

<https://MWBEUnivIT2018.eventbrite.com>

March 23

Become a Prequalified NYC Auditor

<https://MWBEUnivCPAs.eventbrite.com>

May 25

Capital, Bonds, & Tax Breaks for Businesses Impacting NYC

<https://MWBEUnivEconDev.eventbrite.com>

July 13

Doing Business with the Comptroller

<https://MWBEUnivComptroller.eventbrite.com>

August 17

Prevailing Wage: What Your Business Needs to Know

<https://MWBEUnivPrevailingWage.eventbrite.com>

December 14

The Future of M/WBEs in NYC

<https://MWBEUnivFuture.eventbrite.com>

Briefs

Three Queens Construction Companies Convicted of Failing To Pay 150 Workers Over \$370,000 In Wages

Attorney General Eric Schneiderman this week announced the guilty pleas and convictions of three Queens-based construction companies for misclassifying over 150 workers—including carpenters and painters—as independent contractors to avoid paying them overtime.

Lotus-C Corporation, Johnco Contracting, Inc., and RCM Painting Inc., operating out of Jackson Heights, Bayside, and Maspeth respectively, each pled guilty to felony counts of Grand Larceny in the Fourth Degree and Falsifying Business Records in the First Degree. The plea agreements mandated that the defendant corporations pay a total of \$371,447.01 for unpaid wages and \$359,747.86 in unpaid unemployment contributions to the New York State Department of Labor. The Queens County Supreme Court sentenced each defendant corporation to a conditional discharge, as full payment of the restitution was paid to the Attorney General's office.

The Attorney General's investigation found that between 2012 and 2017, the defendant corporations repeatedly failed to pay proper overtime wages to more than 150 employees working across the three corporations. In addition, each corporation had the employees sign a form stating that they were independent contractors, even though the workers were employees as defined by the New York State labor law. Moreover, the companies underreported the number of employees working at these corporations during this period to NYSDOL, and instead falsified their New York State Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return forms—resulting in significant underpayment of unemployment contributions to the NYSDOL.

As part of the plea agreements, the defendant corporations will dissolve the businesses, and the principals of the corporations, Cesar Agudelo of Lotus-C Corp., and John Massino of RCM Painting Inc. and Johnco Contracting, Inc., will be barred for five years from bidding on public works contracts in New York State.

Governor Cuomo Sets April 24 Special Election For 11 Vacant Seats in the New York State Senate and Assembly

Governor Andrew Cuomo this week issued a proclamation setting an April 24th special election date for nine vacant Assembly seats and two vacant Senate seats.

Governor of the State of New York, pursuant to Section 42 of the Public Officers Law, do hereby order and proclaim that an election for Members of the Assembly and Senate of the State of New York in the place and for the unexpired terms of Alfred C. Graf, Chad A. Lupinacci, Thomas McKeivitt, Francisco P. Moya, Brian P. Kavanagh, Mark Gjonaj, Peter D. Lopez, Steven F. McLaughlin, Michael P. Kearns, Ruben Diaz, and George Latimer be held in the said Assembly and Senate Districts on the twenty-fourth of April, two thousand eighteen, such elections to be conducted in the manner prescribed by law for election of Members of the Assembly and Senate of the State of New York.

New York Saw 10 Percent Increase in Applications at SUNY Four-Year Schools and CUNY Institutions

Applications at State University of New York four-year schools and City University of New York institutions increased by 10 percent. SUNY institutions saw a nine percent increase in year over year freshman applicants received through SUNY's Application Services Center and CUNY institutions saw an 11 percent increase in applicants.

SUNY Applications

By December 22, 2017, SUNY received an increase of 9 percent in unique applicants for Fall 2018 through the SUNY Application Services Center, the primary processing center for the university system's state-operated campuses. SUNY's 30 community colleges also reported an increase of two percent. In Fall 2017, 66,770 full-time freshman enrolled at SUNY, among which 61.8 percent, or 41,282 students, took 15 credits or more. This is an increase of nearly 11 percent from the 37,270 full-time freshman who took 15 credits or more in Fall 2016.

CUNY Applications

Freshman applications at CUNY for Fall 2018 have risen to a record 50,546 in one year - a more than 11 percent increase as of Dec. 24, 2017. This increase follows a previous record nine percent increase in applications in December 2016 from 2015, resulting in the largest-ever CUNY freshman class of 38,372 enrolling in Fall 2017. Additionally, this fall, CUNY saw a 39 percent increase in the number of full-time freshmen taking 15 credits or more in their first semester.

City Announces Free Legal Services to Help Small Businesses with Lease Issues

The de Blasio administration announced the launch of the Commercial Lease Assistance Program, offered by the NYC Department of Small Business Services, which will allow small business owners to obtain free legal assistance on topics that include negotiating a lease, resolving landlord issues, responding to an eviction notice, breach of contract disputes, and lease renewal. Non-franchise businesses that meet income requirements are eligible for this service.

Pre-litigation services are being offered in partnership with Brooklyn Legal Services Corporation A, Volunteers of Legal Services, and the Urban Justice Center and include sending legal correspondence to a landlord, addressing issues related to tenant harassment, and resolving challenges when a building changes ownership. The program will not represent clients in matters that end up in court.

The Commercial Lease Assistance Program will provide an average of 40 hours of legal services per client and a dedicated attorney to work with each business owner. Services are now available. Businesses should visit nyc.gov/commlease or call 311 to determine their eligibility and learn more.

NYC Economy Takes a Break in Fourth Quarter of 2017

New York City's economy slowed down at the end of 2017, as gross city product grew only 1.2% in the fourth quarter of 2017 (October through December), according to an analysis of the City's economic performance released this week by New York City Comptroller Scott Stringer. During the same quarter, the national economy expanded by 2.6%.

In the final three months of 2017, private-sector employers shed 17,300 jobs, including 15,700 jobs in medium-wage industries. For the whole of 2017, private-sector employers added jobs 71,400 in 2017, compared to 83,600 new private-sector jobs in 2016.

"The weakness in employment growth should serve as a reminder that the robust rate of job creation in the City over the last several years won't continue forever," said Comptroller Stringer.

"...if you're gonna take it, tax it."

City Comptroller Scott Stringer in testimony before the State Legislative Fiscal Committees

New York City Comptroller Scott Stringer this week advocated the legalization of recreational marijuana as an untapped revenue source. Speaking before the Joint State Legislative Fiscal Committees, Comptroller Stringer noted that a number of neighboring states were moving forward on legalization. "Not only is marijuana an untapped revenue source for the City and the State, but the prosecution of marijuana-related crimes has had a disproportionate impact on Black and Hispanic communities for too long."

Coming Up

New York State

The Legislature is in session Monday February 12th through Tuesday February 13th

Monday February 12th

Health/Medicaid, NYS Legislative Fiscal Committees, Legislative Office Building, Hamilton Hearing Room B, Albany, 10 a.m.

Albany Can Better Partner With Localities, Senate Standing Committee on Local Government, Legislative Office Building, Van Buren Hearing Room A, Albany, 9 a.m.

Real Property Taxation Budget Implementation Hearing, Assembly Standing Committee on Real Property Taxation, Legislative Office Building, Roosevelt Hearing Room C, Albany, 11:30 a.m.

Tuesday February 13th

Mental Hugiene, NYS Legislative Fiscal Committees, Legislative Office Building, Hamilton Hearing Room B, Albany, 10 a.m.

Wednesday February 14th

Impacts of the Proposed Federal Offshore Drilling Authorization on New York, Joint Assembly Standing Committee on Environmental Conservation, Legislative Commission on Toxic Substance and Hazardous Wastes, and Long Island Sound Task Force, Legislative Auditorium, William H. Rogers Building, 725 Veterans Memorial Highway, Smithtown, 11:30 a.m.

Sober Homes and Existing Regulations, Senate Joint Task Force on Heroin and Opioid Addiction, Stephen J. Friedman Room, Pace University, Wilcox Hall, 861 Bedford Road, Pleasantville, 6:30 p.m.

New York City

Monday February 12th

Committee on For-Hire Vehicles, Council Chambers – City Hall, 10 a.m.

Committee on Standards and Ethics, - Committee Room, 16th Floor – 250 Broadway, 10 a.m.

Tuesday February 13th

Committee on Youth Services, Committee Room – City Hall, 10 a.m.

Committee on General Welfare, Committee Room, 14th Floor – 250 Broadway, 1 p.m.

Wednesday February 14th

Committee on Finance, Committee Room – City Hall, 10 a.m.

City Council Stated Meeting, Council Chambers – City Hall, 1:30 p.m.

Thursday February 15th

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

Committee on Aging, Committee Room – City Hall, 10 a.m.

Committee on Criminal Justice, Tour – Rikers Island 1616, Hazen St. East Elmhurst, NY

Committee on Juvenile Justice, Committee Room, 16th Floor – 250 Broadway, 1 p.m.

Committee on Women, Committee Room, 16th Floor – 250 Broadway, 1 p.m.

Committee on Civil and Human Rights, Committee Room, 16th Floor – 250 Broadway, 1 p.m.

Committee on Technology, Committee Room – City Hall, 2 p.m.

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