



# This Week in New York

**Covering New York State and City Government**

*A Publication of Pitta Bishop & Del Giorno LLC*

*February 2, 2018 Edition*



## *In the News – New York State*



### **NY State Comptroller Doubles Low Emissions Index Investment to \$4 Billion**

***NY State Pension Fund's Sustainable Investments Reach \$7 Billion***

Speaking this week at the United Nation's Investor Summit on Climate Risk, New York State Comptroller Thomas DiNapoli announced a \$2 billion increase to the New York State Common Retirement Fund's (Fund) low emissions equities index, doubling its investment.

The increased allocation, from the Fund's regular index holdings, raises the current value of the Fund's sustainable investments to more than \$7 billion. The Fund was the first public pension fund in the U.S. to create an index that excludes or reduces holdings in the worst carbon emitters and shifts investments to lower emitting corporations.

"We've successfully shifted significant holdings to lower carbon companies without losing value," Comptroller DiNapoli said. "Our state pension fund is at the forefront of the worldwide effort to build a lower carbon economy. Our investment decisions and our shareholder engagements are a caution to corporations: if they're not helping build a decarbonized future, they may get left behind. Our strategy for sustainable, lower carbon investing is working and will continue to expand."

According to the Comptroller, the index, which is internally managed by the Fund, was developed with assistance from Goldman Sachs Asset Management (GSAM) and launched in January 2016. It is modeled on the Fund's existing indices of domestic stocks, particularly the Russell 1000, which are passive investments in the largest domestic companies with returns that match broad market performance.

The low emission index underweights stock ownership in some of the worst greenhouse gas emitters based on independent emissions data reported to the Carbon Disclosure Project. It increases investments in companies with lower carbon emissions with returns that closely track the Russell 1000 index.

According to the Comptroller, the low emissions index has "performed as expected within close proximity to the Fund's indices" posting an audited, annualized investment return of 16.5 percent from its inception on Jan. 1, 2016 to Dec. 31, 2017. The Russell 1000's rate of return was 16.8 percent.



## Executive Budget Extends State's MWBE Program & Integrates Disparity Study

Governor Andrew Cuomo's 2019 Executive Budget provides a five-year extension to New York's expiring Minority and Women Owned Business Enterprise program (MWBE) and implements the findings of the 2016 Disparity Study.

Article 15-A of the Executive Law authorizes the Department of Economic Development's Division of Minority and Women's Business Development (the "Division") to promote employment and business opportunities on state contracts for MWBEs. Under this statute, state agencies and authorities are charged with establishing business participation goals for businesses owned by minorities and women. This authorization and the requirements of the program will expire on April 1, 2018. The Governor's Budget would extend the sunset provision to December 31, 2023.

Also, the Executive Budget proposal aims to increase opportunities for MWBEs based upon the findings of the 2016 MWBE Disparity Study (the "Study"). The 2016 Study demonstrated there was continued evidence of statistically significant underutilization of available MWBEs in the State, supporting the continuation of the program.

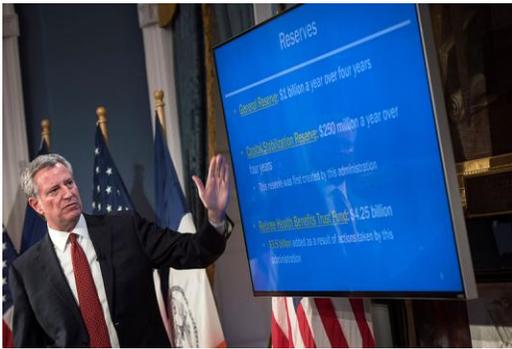
To remedy the underutilization of available MWBEs, the Study identified several recommendations to improve the program including expanding the program to include municipalities, revising the definition of personal net worth to reduce barriers to participation, and increasing contract values.

The Governor's budget applies those recommendations and makes changes to improve program operation, including:

- ***Municipality Participation:*** Expand program requirements to include all municipalities on contracts let with appropriated state dollars and requires units of local government subject to Article 15-A to set goals on contracts and submit reports to the Director.
- ***Personal Net Worth:*** Provide the Director with the authority to set the personal net worth ("PNW") requirement for MWBE certification via regulation, exclude holding companies from PNW, and replace exclusion of equity in personal residence exclusion with cash value of home.
- ***State Contract Value:*** Increase the value of state contracts to \$50,000 for non-construction and \$200,000 for construction.
- ***Purchasing thresholds:*** Increase agency and authority discretionary purchasing threshold to \$400,000.

- **Bidding Credits:** Enhance opportunities for MWBE prime contractors by establishing bidding credits for low-bid construction projects of up to \$1.4 million and increases the size of procurements that can include bidding credits each year with inflation.
- **Business Leadership:** Update diversity practices definition to include diverse leadership of businesses and MWBE mentorship.
- **Agency Remedial Plans:** Require agencies to submit a remedial plan if they fail to make a good faith effort to maximize MWBE participation rather than upon failure to achieve the goals in the Study.
- **Fraud:** Establishes MWBE fraud as a criminal offense.

## *In the News – New York City*



## Mayor de Blasio Releases Preliminary Budget for Fiscal Year 2019

Mayor Bill de Blasio presented New York City’s Preliminary Budget for Fiscal Year 2019 (FY19) totaling \$88.67 billion.

The budget includes \$900 million in savings (resulting from a partial hiring freeze, agency and debt service savings) that offsets new spending. In addition, the City continues to benefit from increasing property tax revenue projected at \$27.7 billion in 2019 and \$30 billion by 2021.

Mayor de Blasio also added a goal of at least \$500 million more funding from the 2019 New York State spending plan. The Mayor will join other local officials across the state next week in Albany for “tin cup day,” to present his arguments to the Governor Andrew Cuomo and the State Legislature for this additional funding.

The Mayor’s funding programs include a number of previously announced initiatives such as \$200 million for NYCHA heating systems (see page 7) and \$18 million to NYPD to accelerate the rollout of body cameras (see page 7). In addition, Mayor de Blasio looks to expand the Pre-K program and mental health services, and increase capital funding for affordable housing.

In his presentation, Mayor De Blasio said New York City's current risk from Washington totals \$700 million, a figure that "easily go up" when President Trump releases his budget this month.

Mayor de Blasio explained that if Congress does not reinstate the Disproportionate Share Hospital funding, NYC's Health + Hospitals could be facing a loss of \$400 million per year. In addition, as of January 1, the City lost its ability to refinance with tax-exempt bonds (up to \$100 million annually) and a reduction in investor interest in the Low Income Housing Tax Credit "threatens" another \$200 million a year in capital funding.

On the State side, New York City is facing \$400 million in cuts and cost shifts, according to the Mayor, including:

- \$144 million in charter school costs.
- \$129 million to child welfare services (NYC-only cut).
- \$65 million to special education.
- \$31 million to juvenile justice programs (NYC-only cut).
- \$9 million in rental subsidies for working families in shelters.

Following the release of the Mayor's budget, Council Speaker Corey Johnson asserted that the City Council will be "an equal partner throughout the budget process."



**Speaker Johnson**

"Even as we experience sustained economic growth, our city is facing challenges and we need a city budget that adequately responds to those challenges," Speaker Johnson said. "More than ever, federal and state cuts are threatening the City's fabric as we know it. In this current climate, agencies and the administration as a whole must be held to a higher standard to ensure we are doing all we can to protect our most vital social safety net programs by boosting our reserves and streamlining resources for the long term. I look forward to working with Chairs Dromm and Gibson and all of my colleagues as we ensure that the Council is an equal partner throughout the budget process."

Earlier in the week, at the Association for a Better NY power breakfast, Speaker Johnson outlined affordable housing, supportive housing, and anti-hunger initiatives as part of his "fight for basic fairness."

In addition, he weighed on the City's infrastructure needs, "we need congestion pricing, this year, this session."

"Money going to the MTA must be spent efficiently, with clear timelines and appropriate oversight. We need new, smart, sustainable revenue streams," he explained. "And one piece of that puzzle is congestion pricing."

Speaker Johnson will be making his inaugural budget pitch to Governor Andrew Cuomo and the Legislature next week as well.



## **De Blasio Administration Announces Citywide Guidance & NYPD Protocol on Federal Immigration Enforcement**

The de Blasio Administration this week announced the issuance of citywide guidance and new NYPD protocols to “clarify and institutionalize” the City’s policy that it will not voluntarily cooperate with federal immigration enforcement activities, and will only coordinate in limited circumstances, including where there is a public safety risk.

In addition, the guidance prohibits City agencies from entering into formal or informal arrangements in which employees are placed under the direction or supervision of federal immigration officials, such as 287(g) agreements with ICE.

According to Mayor de Blasio, the new citywide guidance and the new NYPD protocols, issued pursuant to Local Law 228 of 2017, ensure that the City’s policy is institutionalized across the municipal government. In addition, the new guidance and protocols will ensure that any federal immigration officials’ requests for assistance will be reviewed in advance by senior City agency officials and assessed based on City policies such as the need to protect public safety, not for purposes of providing assistance with deportation.

The Mayor explained that the newly codified NYPD protocols have been issued to all members of the Police Department in an order from Police Commissioner O’Neill. Effective immediately, any requests for assistance with enforcement activities from a federal immigration enforcement agency are to be responded to in accordance with Local Law 228.

Consistent with current policy, the Mayor continued, NYPD shall only coordinate with or assist ICE in instances where the citywide Duty Chief (that Chief in charge of citywide operations at the time of the incident) has identified a public safety issue and conferred with the NYPD Legal Bureau on the need to coordinate with or provide assistance to ICE. In emergency, life-safety related situations, the decision will be made by the highest ranking uniformed officer on the scene, with immediate notification to the Operations Unit.

Under the guidance, city agencies, including the NYPD, will continue to cooperate with federal law enforcement agencies in certain circumstances, including as part of inter-governmental criminal task forces focusing on topics such as gangs, human trafficking, and terrorism, and by sharing information about individuals in the City’s criminal custody who have been convicted of one of approximately 170 qualifying violent or serious felonies under the City’s existing laws on immigration detainer requests.

The local law and the new guidance issued prohibit City agencies from entering into 287(g) agreements in which local officers or employees are deputized by ICE to perform immigration enforcement.

According to the Mayor, the City remains in compliance with federal law and the U.S. Constitution, notwithstanding the U.S. Department of Justice's attempts to unilaterally impose immigration-related conditions on public safety grant funds that Congress intended to support local policing and prosecutors. The law and guidance do not regulate the disclosure of information described by 8 U.S.C. 1373, which is governed by the City's generally applicable confidentiality policy.

## ***Briefs***

### **NYS Enacts Law Extending Statute of Limitations on Cancer Misdiagnosis**

New York State's statute of limitations on a missed cancer diagnosis has been revamped under legislation enacted this week. Chapter 1 of the Laws of 2018 amends the statute of limitations to sue for a missed cancer diagnosis to two-and-a-half years after the time that the patient learns of the error.

Previously, New York limited suits for cases to 15 months after when the misdiagnosis was made. Under the new law, the two and a half year statute of limitations would run from the date that the plaintiff knew or should have known of the negligence and injury, instead of the date when the negligence occurred. Cases are subject to an outer limit of seven years from the date of occurrence.

### **New York Islanders to Return to Long Island Next Season – Three Years Ahead of Schedule**

The New York Islanders will return home to Long Island in Fall 2018 - three years ahead of schedule. Governor Andrew Cuomo welcomed the Islanders back to NYCB LIVE, home of the Nassau Veterans Memorial Coliseum where they will play 60 pre-season and regular home games, over the next three years. Construction on their new permanent home - a 18,000-seat arena at Belmont Park - is scheduled to be completed in 2022.

Beginning in October 2018, the New York Islanders have agreed to play 12 games at the Coliseum during the regular season, and 48 games over the 2019-2020 and 2020-2021 seasons. Construction on the redevelopment of Belmont Park, including an NHL-ready sports and entertainment arena, is anticipated to commence in 2019. The New York Islanders will play their first regular season game at Belmont Park during the 2021-2022 season. The Islanders currently play at Barclays Center in Brooklyn, which will serve as the other home arena for the team over the next three seasons.

## **All NYPD Officers to Wear Body Cameras by End of 2018**

Mayor Bill de Blasio, Police Commissioner James P. O'Neill and City Council Speaker Corey Johnson this week announced the New York City Police Department will speed up its timeline to outfit all police officers and detectives on patrol with body worn cameras by the end of 2018, one year earlier than previously planned. The Administration and the Department initially projected that all officers on patrol would receive body cameras by the end of 2019.

In his preliminary budget, Mayor de Blasio allocated \$ 5.6 million for the program in 2018 and \$12 million in 2019.

## **City to Invest \$200 million to Replace Boilers & Upgrade Heating systems at 20 NYCHA Developments**

New York City will invest \$200 million to replace boilers and upgrade heating systems at 20 NYCHA developments experiencing chronic outages, according to Mayor Bill de Blasio. This funding will go towards replacing outdated boilers, and modernizing heating system controls and hot water-making technology. These renovations will be finished by 2022. These upgrades will help NYCHA save approximately \$5 million per year in energy costs.

Starting in Fiscal Year 2019, the \$200 million will be invested over three years to do the following:

- **Replace Outdated Boilers** at 10 developments with chronic outages.
- **Modernize Hot Water Systems** at 12 developments by separating hot water from the heating boilers to reduce the strain on boilers. This will allow NYCHA staff to make repairs on the boiler system during the spring and summer without jeopardizing tenants' access to hot water.
- **Install New Heating Controls** at 15 developments to regulate boiler temperature.

## **Mental Health Services for Domestic Violence Survivors Expanded to All Five Boroughs**

The de Blasio Administration announced the expansion of Mental Health Teams at all five of the City's Family Justice Centers, with one in each borough. The City has invested \$3.3 million to expand the Family Justice Centers holistic approach to mental health through trauma-informed psychotherapy and psychiatric services.

The Mental Health Teams will provide onsite clinical psychiatric and psychological assessments for clients within the FJC collaborative framework. Each team will work with clients to develop individualized treatment plans, which may include individual therapy, group therapy, psychoeducation and medication management. Clients will be able to attend workshops where they will learn adaptive techniques for dealing with trauma. As of December 2017, more than 250 survivors of domestic violence have already received mental health services at the City's five FJCs.

The Mental Health Teams are an expansion of a program first piloted at the Bronx Family Justice Center in 2015 to deliver on-site clinical psychiatric services to survivors; a collaborative effort of ThriveNYC, the Mayor's Office to Combat Domestic Violence, NYC Health + Hospitals, the Department of Psychiatry at Columbia University Medical Center, sponsored by the Chapman Perelman Foundation.

## **Apply to Become an Equitable Public Space Fellow!**

Design Trust for Public Space announced the opening of this year's Equitable Public Space Fellowship Program. In its third year, the program supports the next generation of urban designers, architects, landscape architects, and planners in contributing to complex public space challenges in our global city.

The Fellow will join the Design Trust team as a full-time paid staff member for an intensive one-year fellowship to begin in June 2018 and end in July 2019, and will become a part of the Design Trust community, interact with project fellows, partners, and collaborators. Benefits include: \$40,000 annual salary and full healthcare benefits.

Applications are welcome from anyone with a 2-year or 4-year degree from a community college or university. The Fellowship is not open to candidates who have completed a graduate degree.

<http://designtrust.org/news/apply-2018-2019-equitable-public-space-fellowship/>

## ***Coming Up***

### ***New York State***

***The Legislature is in session Monday February 5<sup>th</sup> through Tuesday February 6<sup>th</sup>***

#### ***Monday February 5<sup>th</sup>***

***Government Officials/General Government***, NYS Legislative Fiscal Committees, Legislative Office Building, Hamilton Hearing Room B, Albany, 10 a.m.

#### ***Tuesday February 6<sup>th</sup>***

***Human Services***, NYS Legislative Fiscal Committees, Legislative Office Building, Hamilton Hearing Room B, Albany, 10 a.m.

***Examine the Issues Facing Communities in the Wake of Increased Heroin Abuse***, Senate Joint Task Force on Heroin and Opioid Addiction, Binghamton University's Innovative Technologies Complex, Center of Excellence Building, Rotunda, 85 Murray Hill Road, Vestal, NY, 5 p.m.

### ***Wednesday February 7<sup>th</sup>***

***Environmental Conservation***, NYS Legislative Fiscal Committees, Legislative Office Building, Hamilton Hearing Room B, Albany, 9:30 a.m.

### ***Thursday February 8<sup>th</sup>***

***Taxes***, NYS Legislative Fiscal Committees, Legislative Office Building, Hamilton Hearing Room B, Albany, 9:30 a.m.

## ***New York City***

### ***Tuesday February 6<sup>th</sup>***

***Committee on Public Housing***, Council Chambers – City Hall, 10 a.m.

***Committee on Oversight and Investigations***, Council Chambers – City Hall, 10 a.m.

***Subcommittee on Landmarks, Public Siting and Maritime Uses***, Committee Room, 16<sup>th</sup> Floor – 250 Broadway, 11 a.m.

***Committee on Economic Development***, Committee Room – City Hall, 1p.m.

***Subcommittee on Planning, Dispositions and Concessions***, Committee Room, 16<sup>th</sup> Floor – 250 Broadway, 2 p.m.

### ***Wednesday February 7<sup>th</sup>***

***Subcommittee on Zoning and Franchises***, Council Chambers – City Hall, 9:30 a.m.

***Committee on Public Safety***, Committee Room – City Hall, 1 p.m.

### ***Thursday February 8<sup>th</sup>***

***Committee on Fire and Emergency Management***, Council Chambers – City Hall, 10 a.m.

***Committee on Higher Education***, Committee Room, 14<sup>th</sup> Floor – 250 Broadway, 10 a.m.

***Committee on Land Use***, Committee Room – City Hall, 11 a.m.

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