

This Week in New York

Covering New York State and City Government
A Publication of Pitta Bishop & Del Giorno LLC
April 26, 2024 Edition



"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

Tempus Fugit

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When the State Legislature returns from its break on May 6th, 18 session days remain on the 2024 legislative calendar. Depending upon your stakeholder position, it could either be like grains of sand quickly sliding down the hourglass or an eternity.

Congestion Pricing: Stakeholders including truckers, taxi drivers, health care workers, residents of lower Manhattan and Staten Island, and city workers seek a statutory exemption to the New York City Central Business District toll, while transit advocates and the MTA eagerly await the June 30th start date.

Extended Producer Responsibility: Environmental advocates are hoping that 2024 is the year for enactment this legislation which places the primary financial responsibility for the environmentally responsible management of a product on its producer/manufacturer, while businesses are pushing for the Legislature to continue discussions into the off session.

NY Heat Act: Environmental advocates look to revisit the gas limitation initiative that fell off the budget negotiation table, while gas interests and organized labor push for further renewable energy advancement and greater electric grid reliability.

MTA Climate Change Goals

The New York Metropolitan Transportation Authority (MTA) this week released its <u>Climate Resilience Roadmap</u>, a comprehensive framework to fortify the transit system against the impacts of climate change. The capital costs associated with the work are estimated to be as much as \$6 billion over the next decade.

Developed in response to the demonstrated and urgent need to address climate-related threats, the roadmap outlines 10 core climate resilience goals to address the climate threats facing MTA infrastructure. It includes a multi-pronged implementation framework consisting of capital plan integration, resilient design practices, and better coordination between partner agencies.

"Our transit systems are being directly impacted by climate change, from mudslides on the Hudson Line to flooding in our subways and busways." Governor Kathy Hochul said in announcing the plan. "The Climate Resiliency Roadmap is an essential component of making sure our critical infrastructure can withstand extreme weather events and keep New Yorkers moving safely."

Key strategies and actions in the Resilience Roadmap include defending the subway system from flooding, reducing coastal and rainfall flooding on Metro-North Railroad and Long Island Rail Road, and protecting infrastructure from extreme heat.

Necessary interventions to safeguard the transit system include:

- ➤ Goal 1: Shield subway stations and tunnels from stormwater. Estimated Cost: \$500M \$1B.
- ➤ Goal 2: Protect subway yards from flooding. Estimated Cost: \$500M \$1B.
- ➤ Goal 3: Protect open subway infrastructure from flooding. Estimated Cost: \$250M \$500M.
- ➤ Goal 4: Safeguard bus depots from flooding. Estimated Cost: \$500M \$1B.
- ➤ Goal 5: Work with partners to manage floods on city streets. Estimated Cost: < \$50M.
- ➤ Goal 6: Mitigate Long Island Rail Road flooding. Estimated Cost: \$500M \$1B.
- ➤ Goal 7: Reduce Metro-North Railroad flooding. Estimated Cost: > \$1B.
- ➤ Goal 8: Expand underground air circulation and cooling. Estimated Cost: \$50M \$250M.
- ➤ Goal 9: Protect outdoor infrastructure from heat. Estimated Cost: < \$50M.
- ➤ Goal 10: Address heat and wind impacts on bridges. Estimated Cost: < \$50M.

The types of work necessary include shielding subways from torrential rain by installing mitigations like raised steps and elevated street vents to prevent stormwater from entering the subway system; investing in subway drainage and pumping equipment to remove stormwater that enters the system; advancing proactive measures to reduce the impacts of monthly tidal floods and rain on regional railroad infrastructure exacerbated by climate change-induced sea level rise.

In the News-New York City



Mayor Adams Releases Executive Budget For Fiscal Year 2025

New York City Mayor Eric Adams this week released the City of New York's "balanced" \$111.6 billion Fiscal Year (FY) 2025 Executive Budget.

According to the Adams' Administration, the budget builds upon its actions, since last fall, to stabilize the city's fiscal outlook. In addition, the budget positions the City to backfill long-term programs that had been funded with temporary stimulus funds and promotes the City's efforts to strengthen public safety, rebuild the economy, and make the city more livable.

These investments will specifically add more police officers to city streets and subways, protect educational programs with city and recurring state funds, and increase access to early childhood education.

Under the plan, FY24 and FY25 remain balanced, with outyear gaps of \$5.5 billion, \$5.5 billion, and \$5.7 billion in Fiscal Years 2026 through 2028, respectively. Growth of \$2.2 billion in FY25 over the Preliminary Budget is driven by stronger than expected economic activity in FY24 and an improved outlook in FY25.

Mayor Adams committed to PEG the city's asylum seeker spending over FY24 and FY25 by a total of approximately 30 percent between the Preliminary and Executive Budgets. To date, according to the Mayor, more than 65 percent of the asylum seekers who have come through the city's intake centers have left the city's care. The Administration has successfully cut migrant costs in the Executive Budget by \$586 million over FY24 and FY25. Along with \$1.7 billion in migrant costs previously cut in the FY25 Preliminary Budget, this brings the two-year total migrant PEG savings nearly \$2.3 billion.

The Administration estimates that total savings — including the asylum seeker PEGs — achieved in FY24 and FY25 over the November, January, and April Financial Plans is now \$7.2 billion.

Additionally, tax revenue has been revised up by \$619 million in FY24 and \$1.7 billion in FY25 compared with the Preliminary Budget due to better than anticipated economic performance in 2023 and an improved economic outlook in 2024. However, tax revenue growth is expected to cool in upcoming fiscal years as the local economy slows.

The FY25 Executive Budget maintains \$8.2 billion in reserves, including \$1.2 billion in the General Reserve, \$4.8 billion in the Retiree Health Benefits Trust Fund, \$250 million in the Capital Stabilization Reserve, and \$1.96 billion in the Rainy-Day Fund.

FY25 Priorities

Safety

- Adding 1,200 more police recruits between the July and October NYPD classes, putting New York City on a path to have 35,000 uniformed officers in the coming years (\$62.4 million, FY25).
- Funding for the Job Connections initiative, which will connect 500 young New Yorkers at risk of gun violence with career readiness and green job placement programs (\$16.9 million, FY25).
- Expanding the Crisis Management System to support additional <u>Cure Violence</u> <u>coverage</u> areas and additional mental health services in gun violence safety precincts (\$8.6 million, FY25).
- Supporting the <u>Neighborhood Safety Alliance</u>, which fosters collaboration between communities, actors, law enforcement agencies, and city services to reduce gun violence in six additional precincts (\$2.5 million, FY25).

Education

- Supporting citywide 3-K expansion as it transitions from its original stimulus funding source (\$92 million, FY25).
- Supporting nearly 500 social workers and psychologists who provide mental health supports in schools (\$74 million, FY25).
- Maintaining funding for special education Pre-K providers to increase service hours, and resources for DOE-related services and evaluation teams (\$56 million, FY25).
- Investing in pathways programs that facilitate <u>career pathways programs</u> in high schools
 — offering apprenticeships, career-readiness, and access to college credits (\$53 million, FY25)
- Literacy and <u>dyslexia programs</u> and academic assessments for both English language arts, and math (\$17 million, FY25).
- Funding for coordinators for students in temporary housing in schools and shelters (\$17 million, FY25).
- Bilingual education funding for curriculum and assessment, teacher preparation and staffing, professional learning, and multilingual family and community engagement for 100 bilingual programs (\$10 million, FY25).
- Increasing the availability of in-school early childhood education classes and services for students with special needs (\$25 million, FY25).

Financial Assistance

- Funding the City Family Homelessness and Eviction Prevention Supplement programs in the baseline (\$615 million, FY25).
- Eliminating \$2 billion in medical debt for qualified low-income and severely debtburdened New Yorkers through RIP Medical Debt, which buys debt at a steep discount and forgives repayment (\$6 million, FY25).
- Accelerating Minority and Women-Owned Business Enterprises (M/WBE) and community hiring by implementing tools to track the implementation of community hiring legislation and the new city-wide M/WBE program (\$5.5 million, FY25).



NYC Council Releases 2024 Pay Disparity Report

Report finds occupational segregation that concentrates women and people of color in job titles that pay less than those consistently predominated by white and male city workers maintains persistent disparities

Speaker Adrienne Adams and the New York City Council released its 2024 Pay Disparity Report on wage disparities within New York City's municipal workforce, finding persisting gender and racial wage gaps that are largely the result of women of color being paid less.

The 2024 report reveals that employees in the municipal workforce that identify as Asian, Black or African American, Hispanic or Latino and Other Race/Ethnicities (ABHLO) earn \$0.84 for every \$1 paid to white city employees. It also shows that for every dollar earned by white male employees, all other workers earn on average 82 cents, demonstrating that people of color – and women of color, more deeply – are experiencing the overwhelming impact of pay disparities.

Female employees of color in the city's workforce account for more than two-thirds of the overall racial pay gap of 16 cents, while male employees of color account for approximately one-third. Across the municipal workforce, female employees of color saw the smallest improvement in their pay gap between 2018 and 2021.

The report includes data for municipal wages up to 2021, as maintained by the Council's innovative Pay Equity Law (Local Law 18 of 2019). In relation to agency diversity, occupational segregation and pay gaps:

- ➤ Racial diversity outpaced gender diversity: of city agencies with over 100 employees, 13 saw a significant increase in the percentage of workers of color from FY 2012 to 2021, but only three saw a significant increase in women employees.
- ➤ The Department of Homeless Services (DHS), Department of Probation (DOP), Administration for Children's Services (ACS), Department of Correction (DOC), and the Fire Department (FDNY) are the least racially diverse agencies.
- ➤ The Department of Sanitation (DSNY) and FDNY lack racial diversity and gender diversity, with DSNY being 9% female and 51% white, and FDNY being 12% female and 62% white.
- ➤ Uniformed agencies (DOC, DSNY FDNY, NYPD) and those agencies related to science and technology (such as the Office of Technology and Innovation (OTI), Department of Environmental Protection (DEP), and Department of Transportation (DOT) have large within-agency gender pay gaps.
- Agencies with the highest percentage of female employees consistently have median salaries below the City workforce's median, while those with the lowest percentage of female employees have salaries above the median. The same pattern holds for agencies with the highest and lowest percentages of employees of color.

In response to the report, the City Council put forth the following initiatives:

- ➤ Introduction 743, sponsored by Council Member Carmen De La Rosa, Requires the department of citywide administrative services (DCAS) to offer career counseling to eligible municipal employees to advise them of career advancement opportunities.
- ➤ Introduction 767, sponsored by Council Member Crystal Hudson, Requires the department of citywide administrative services (DCAS) to create a workplace culture survey, to be completed by municipal employees annually on an anonymous and voluntary basis.
- ➤ Introduction 809, sponsored by Council Member Carmen De La Rosa, Requires the commissioner of the department of citywide administrative services (DCAS) to publish an annual report on its website regarding the department's determination of promotional exam applicant eligibility.

Briefs

President Biden Announces Upstate New York Workorce Hub

President Biden was in Syracuse this week to announce that the Upstate New York region has been designated a federal Workforce Hub.

The President made the announcement during his visit to Syracuse, highlighting the \$6.1 billion preliminary agreement with Micron to expand semiconductor manufacturing in New York and Idaho, which will create over 70,000 jobs. The Upstate New York region will be one of the four new Workforce Hubs, in addition to Philadelphia, Pennsylvania, Milwaukee, Wisconsin, and the state of Michigan.

In each of the four new Hubs, the Administration will continue to collaborate with state and local elected officials and community leaders to "drive effective place-based workforce development efforts that are essential to the President's vision of building an economy from the bottom up and the middle out."

According to the Biden Administration, Upstate New York has emerged as a growing hub for semiconductor manufacturing. To date, companies have announced private-sector investments to regain American leadership in chips manufacturing. The Department of Commerce, with support from the Departments of Education and Labor, will stand up the Workforce Hub to help meet the training needs of this industry and related investments in the region by fostering collaborations with partners such as labor unions, employers, and education and training providers.

Comptroller DiNapoli: Renewable Energy Projects Taking Years To Become Operational in NYS

Renewable energy projects have been taking more than three years to receive siting permits due to application delays, according to an audit released this week by New York State Comptroller Thomas DiNapoli.

The audit of the Office of Renewable Energy Siting (ORES) found permit applications were often delayed due to missing or insufficient documentation. The audit suggests ORES should be more transparent about the timeliness of the application process and where delays occur.

ORES was created in 2020 to streamline and expedite the environmental review and permitting of major renewable energy projects and associated transmission facilities to help the state meet the Climate Leadership and Community Protection Act's (Climate Act) goals and timelines. The Climate Act set targets to achieve 70% renewably sourced electricity by 2030 and a zero-emission electric grid by 2040.

Under current state law, ORES must issue a final siting permit for most projects within one year of a completed application, but there is no requirement for ORES to track or account for how long it takes to complete an application. DiNapoli's audit reviewed 15 projects and found 14 took nearly four years to obtain a site permit, with the majority of time being spent on the permit application. On average, the permit application took most projects three years to complete.

Governor Hochul Announces Steps Forward to Support New York's Clean Energy Industry

NYSERDA Releases RFPs & Request for Information to Support New York's Offshore Wind Supply Chain

As part of the next phase of New York's \$500 million commitment to offshore wind supply chain activities, a \$200 million Supportive Manufacturing and Logistics Request for Proposal is now open to support investments in infrastructure and manufacturing to grow the domestic offshore wind supply chain in New York.

In addition, a Request for Information (RFI) will be issued to inform the development of New York's fifth offshore wind project solicitation (NY5) and design of a coordinated \$300 million RFP focusing on major component offshore wind supply chain investments.

\$200 Million Supportive Manufacturing and Logistics RFP: NYSERDA is seeking proposals for Tier 2 to Tier 4 infrastructure and manufacturing facilities. Proposers to the supply chain RFP will be required to demonstrate how State funding will leverage significant private investments in supply chain projects and are encouraged to demonstrate that the funds awarded by the state are the final funds needed to develop a project. Proposals are due by 3:00 p.m. ET on August 13, 2024.

Request For Information to Inform Next Offshore Wind Solicitation and \$300 Million Major Component Supply Chain RFP: NYSERDA invites industry stakeholders to review and comment on the potential structure of the next Offshore Wind Renewable Energy Certificates (ORECs) solicitation (NY5) and a coordinated \$300 million Major Component Supply Chain RFP. Responses are due on May 21, 2024.

A webinar will be held on May 7, 2024, at 9:00 a.m. to provide more information on the above RFP and RFI. Those interested in the webinar can sign up here.

Mayor Adams, Speaker Adams Invest Over \$22 Million in Cultural Organizations

New York City's Fiscal Year (FY) 2025 Executive Budget released this week included multiple investments in the City's cultural sector, with allocations of more than \$22 million over the next three fiscal years for the New York City Department of Cultural Affairs (DCLA).

The investments include \$18.3 million over the next three fiscal years for the 34 members of the Cultural Institutions Group (CIG). These institutions — including museums, performing arts centers, historical societies, zoos, and botanical gardens — operate on city-owned property and serve as community anchors and economic engines for neighborhoods in all five boroughs. Over the next two fiscal years, the FY25 Executive Budget will also allocate \$4.3 million to the Cultural Development Fund (CDF), which supports over 1,000 cultural nonprofits across the city annually.

Coming Up

New York State

New York State Senate, On Break for Passover and will return Monday, May 6th.

New York State Assembly, On Break for Passover and will return Monday, May 6th.

New York City

Wednesday, May 1st

Committee on Sanitation and Solid Waste Management, Committee Room - City Hall, 10 a.m.

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

Committee on Governmental Operations, State and Federal Legislation, Committee Room – City Hall, 1 p.m.

Thursday, May 2nd

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

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Committee on Governmental Operations, State & Federal Legislation, Council Chambers – City Hall, 1 p.m.

Committee on Women and Gender Equity, Council Chambers – City Hall, 1 p.m.

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To Vincent F Pitta: Happy Birthday!!!

This Week in New York is a publication of Pitta Bishop & Del Giorno LLC

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