



# THIS WEEK IN NEW YORK

## COVERING NEW YORK & CITY GOVERNMENT

JUNE 7, 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*



### To Act or Not to Act, That's Quickly Becoming the Legislative Question



The aftermath of the congestion pricing bomb that Governor Kathy Hochul dropped earlier this week has the legislative leaders asking themselves if they should deal with the resulting MTA budget hole now or if they should kick the can down the road for a bit while the smoke clears.

The Legislature was scheduled to close its 2024 session on Thursday. However, at time of publication on Friday, the Legislature did not have a viable solution to the MTA conundrum. The announcement quickly divided state legislators--pro or anti congestion pricing--and consensus is difficult, especially as some are facing primary elections in a few weeks.

"What happens with congestion pricing...that's been decided already," Assembly Speaker Carl Heastie explained in published reports. "Your only choices are to raise revenue. Either you have to do that now...or sometime between now and January."

On Tuesday, Governor Kathy Hochul released a 6-minute videotaped announcement to New Yorkers announcing that she is "pausing" the June 30<sup>th</sup> start date of the congestion pricing toll program in New York City.

Enacted in 2019 under former Governor Andrew Cuomo, the Central Business Tolling District program was set to charge drivers entering the Manhattan zone below 60<sup>th</sup> Street. The funds raised were earmarked to assist the State in funding the Metropolitan Transportation Authority (MTA) Capital Plan (page 2). Following the video, the MTA was left with a \$1 billion hole in its budget for 2024-2025, ballooning to \$15 billion.

"First and foremost, I understand the financial pressures you're facing over the last five years," Governor Kathy explained as she prefaced her decision to "pause" congestion pricing. "New Yorkers have seen the price of groceries alone go up an average of 23%. Think about the cost of a dozen eggs more than doubling from \$1.20 to \$2.86 all over our country. Housing Prices have increased by 17%. Cost of childcare has gone up almost 20% and the strain on working- and middle-class families is just too much"

The rank-and-file legislators continue to move through the scheduled end-of-session agenda. The Senate just completed its two-hour debate on the Extended Producer Responsibility packaging reduction proposal, while AM Deborah Glick is making a last-minute push to bring the bill to the floor. With each passing hour, the possibility of a legislative return later in the year becomes more and more likely.

Below is a chart by the MTA of projects that were to be supported by the congestion pricing fees for which funding will have to be determined.





## Bills Passed by Both Houses



**A1035B, Sponsored by AM Bichotte Hermelyn/Senator Parker** -- Prohibits the use of social media websites for the purposes of debt collection.

**A1200, Sponsored by AM Epstein/Senator Thomas** -- Establishes the people with disabilities access to programs commission to examine, evaluate and make recommendations for new laws with respect to how the state should streamline eligibility requirements and processes for its programs and services to assist people with disabilities.

**A1204A, Sponsored by AM Zebrowski/Senator Ramos** -- Authorizes treatment of workers' compensation injuries by an occupational therapy assistant and a physical therapy assistant.

**A3120A, Sponsored by AM Magnarelli/Senator Cooney** -- Increases penalties for violation of overtaking and passing a school bus.

**A6146B, Sponsored by AM Buttenschon/Senator Skoufis** -- Requires an agency responding to a request for public employee disciplinary records to develop a policy to notify the public employee whose personal information is subject to the request.

**A7563B, Sponsored by AM Pheffer Amato/Senator Gounardes** -- Provides an option for beneficiaries of NYC transit authority members to receive a lump sum equal to the pension reserve where a member who is eligible for a service retirement dies prior to filing for retirement.

**A8276, Sponsored by AM Hunter/Senator Breslin** -- Provides for the issuance of pet insurance that provides coverage for accidents and illnesses of pets.

**A8994A, Sponsored by AM Paulin/Senator Scarcella-Spanton** -- Enacts "Detective Brian Simonsen's Law"; requires wireless communication method service providers disable services to stolen wireless phones.

**A9232B, Sponsored by AM Weinstein/Senator Hoylman-Sigal** -- Provides for the types of damages that may be awarded to the persons for whose benefit an action for wrongful death is brought.

**A9265A, Sponsored by AM Bronson/Senator Ramos**-- Requires contractors and subcontractors working on covered projects submit their payrolls or transcripts to the fiscal officer; directs the department to create a database for such records that are publicly available for inspection.

**A10209, Sponsored by AM Rules (McDonald)/Senator Stavisky** -- Provides that the payment of interest on an education loan and Roth IRA deposits shall be qualified withdrawals under the New York state college choice tuition savings program.

**S1267A, Sponsored by Senator Breslin/AM McDonald** -- Requires a utilization review agent to follow certain rules when establishing a step therapy protocol & requires that the protocol accepts any attestation submitted by the insured's health care professional stating that a required drug has failed as prima facie evidence that the required drug has failed.

**S1736E, Sponsored by Senator Krueger/AM Fahy** -- Requires new construction that includes dedicated off-street parking to provide electric vehicle charging stations and electric vehicle ready parking spaces.

**S2124, Sponsored by Senator Rivera/AM Paulin** -- Allows physician assistants to serve as primary care practitioners for purposes of Medicaid managed care plans.

**S2659B, Sponsored by Senator Comrie/AM Sayegh** -- Provides that a business must provide notification of a data breach within 30 days of such breach.

**S2901A, Sponsored by Senator Comrie/AM Paulin** -- Establishes the port authority transportation advisory committee.

**S3065B, Sponsored by Senator Ramos/AM Bronson** -- Requires training to reduce abusive conduct and bullying in the workplace as part of a written workplace violence prevention program.

**S5414, Sponsored by Senator Hoylman-Sigal/AM Bores** -- Authorizes the legislature to increase the number of justices of the supreme court in any judicial district.

**S5868B, Sponsored by Senator Harckham/AM Bronson** -- Relates to prevailing wage requirements applicable to brownfield remediation work performed under private contract as it relates to certain remediation activities, for sites that are seeking or have received a determination that the site is eligible for the tangible property credit component of the brownfield redevelopment tax credit, and the work is paid for in whole or in part by public funds.

**S6584C, Sponsored by Senator Gianaris/AM Gonzalez-Rojas** -- Requires separate collection categories for White, Middle Eastern, and North African groups in NYS.

**S6635, Sponsored by Senator Ramos/AM Reyes** -- Relates to claims for mental injury premised upon extraordinary work-related stress incurred at work; applies to all workers.

**S9076, Sponsored by Senator Gounardes/AM Pheffer Amato** -- Increases certain special accidental death benefits for state and local retirement system members.

**S9205, Sponsored by Senator Gounardes/AM Pheffer Amato** -- Expands disability benefits for firefighters who suffered any condition or impairment of health caused by endocrine/thyroid cancer resulting in total or partial disability.

**S9709, Sponsored by Senator Sepulveda/AM Rules (AM Braunstein)** -- Extends the effectiveness of certain provisions relating to joint bidding on contracts for public work projects.

**S9710, Sponsored by Senator Sepulveda/Rules (AM Braunstein)** -- Extends the effectiveness of the coordinated construction act for lower Manhattan under joint bidding on for public work projects.



## Comptroller DiNapoli Audit Finds Over \$1 Billion in Medicaid Payments Went to Providers Not Enrolled in the Program

An audit released this week by New York State Comptroller Thomas DiNapoli found Medicaid managed care organizations made as much as \$1.5 billion in improper and questionable payments to providers who did not appear to be enrolled in Medicaid. Generally, under federal and state law providers are supposed to be enrolled, a process that gives DOH assurance that they are equipped and eligible to deliver services.

“The deadline for managed care organizations and their providers to comply with enrollment requirements was over five years ago, yet our audit shows payments to providers that are still not enrolled in Medicaid or have been denied,” Comptroller DiNapoli said. “Medicaid is vital to millions of New Yorkers in need of quality health care and the Department of Health must do a better job ensuring the program’s integrity.”

Under managed care, DOH pays monthly premiums to Managed Care Organizations (MCOs) for each enrolled Medicaid recipient and in exchange MCOs arrange for services with providers. The federal 21st Century Cures Act requires in-network managed care providers to be enrolled in Medicaid by January 1, 2018. Enrollment informs DOH that the providers are licensed, credentialed, and able to provide Medicaid services. MCOs are supposed to terminate providers from their networks who do not enroll in the state’s Medicaid program. MCOs submit their contracted providers to DOH’s Provider Network Data System (PNDS) at least quarterly.

After services are provided and paid by MCOs, they then submit claims that report the services to DOH. Auditors reviewed claims from January 2018 through June 2022 and found \$1.5 billion in improper and questionable claims:

- Five MCOs paid \$916 million in claims for services by in-network providers whose IDs did not match with a Medicaid enrolled provider on the date of service.
- \$832.5 million in claims were for services by providers whose Medicaid application was denied or had been withdrawn by DOH either because they failed to meet Medicaid program standards or were automatically withdrawn because the application was missing information.
- \$9.6 million in improper MCO payments went to in-network and out-of-network providers who were excluded from or otherwise ineligible for the Medicaid program. (\$548,184 of the \$9.6 million was included in the \$916 million referenced above.)

Comptroller DiNapoli’s audit found PNDS error reports were flawed and did not capture all unenrolled in-network providers. Even when providers were identified on error reports, auditors found MCOs often did not make timely fixes to their submissions to DOH.

According to the Comptroller, DOH generally agreed with most of the audit’s recommendations, and said it is examining the audit findings to determine how to best address the issues raised.

# *In the News-New York City*



## **Mayor Adams Celebrates Passage Of “City Of Yes” Proposal**

New York City Mayor Eric Adams and New York City Department of City Planning (DCP) Director and City Planning Commission (CPC) Chair Dan Garodnick celebrated the New York City Council’s approval of *City of Yes for Economic Opportunity*, a set of citywide zoning changes the Adams administration introduced that will boost New York City’s economic recovery.

*City of Yes for Economic Opportunity* includes commonsense policy changes that would expand options for businesses to locate near their customers, support growing industries and sectors, foster vibrant neighborhoods and commercial corridors, and provide businesses with clear and modern zoning rules. Among these changes are policies to:

- More than double the space available for clean manufacturing, allowing small producers, such as microbreweries, apparel makers, and ceramic shops, to open and grow in commercial corridors in all five boroughs.
- Create new zoning tools to allow more than 17,000 businesses in industrial areas that are currently prevented from adding space to grow their businesses.
- Expand the number of businesses able to open in ground- and upper-floor spaces.
- Eliminate rules that prohibit dancing, comedy, and open mic nights in restaurants and venues in commercial areas, and instead govern venues by size and volume.
- Update rules that limit where amusements are allowed, so experiential retail, such as virtual reality arcades, and family-friendly activities can be located closer to where New Yorkers live.
- Modernize how zoning regulates laboratories so life sciences research can flourish in offices and near universities and hospitals.
- Remove outdated restrictions on indoor urban agriculture.
- Fill empty storefronts by fixing decades-old rules that ban businesses from setting up in certain long-term vacant facilities.
- Allow a wider range of businesses, including barbers and interior designers, to be based in homes.
- Foster cleaner and safer streets and support local small businesses by helping them expand local delivery capacity.
- Facilitate adaptive reuse of commercial buildings by modernizing loading dock rules.

“We’re delighted with the full City Council’s approval of the ‘City of Yes for Economic Opportunity’ initiative,” said Carlo Scissura, president and CEO, New York Building Congress. “This significant reform will ease the way for businesses to flourish and expand across New York City, enhancing our city’s economic prosperity. We applaud the City Council for their forward-thinking decision to eliminate antiquated zoning laws that have impeded economic progress. Together with Mayor Adams’ other initiatives, including those aimed at expanding housing opportunities, our members are ready and excited to contribute to building a fairer, more prosperous, and sustainable future for all New Yorkers.”



## NYC Begins Implementation of “Green Fast Track,” Jump Starting Construction Of More Sustainable Housing

“[Green Fast Track](#)” — Mayor Eric Adams’ streamlined environmental review process to accelerate the production of small-and medium-sized housing projects across New York City — went into effect this week.

The streamlined environmental review process is estimated to reduce up to two years of study and \$100,000 in costs for qualifying projects.

According to the Mayor, in exploring the potential for a Green Fast Track, city planning, and environmental experts analyzed more than 1,000 environmental reviews over the past decade, consistently finding that modest housing projects with certain characteristics had no negative impacts on the environment. By shifting these projects onto the Green Fast Track — designating them as “Type II” actions under the City Environmental Quality Review process, the city will reduce “redundant or unnecessary processes” for projects of a certain size.

“By adjusting eligibility requirements to include sustainability measures — such as all-electric heating — the city can also leverage the environmental review process to accelerate its climate goals,” the Administration explained in a press release announcing the program launch.

To [qualify for Green Fast Track](#), projects must be under 250 or 175 units, depending on the zoning district; use all-electric heating; be outside of vulnerable coastal areas or areas with industrial emissions, and away from major roads; and meet remediation and attenuation standards for areas with hazardous materials or high-ambient noise. Projects do not qualify if they exceed 250 feet in height. If the site is adjacent to open space, natural resources, or historically sensitive areas, the height cap is 50 feet.

The New York City Department of Housing Preservation and Development (HPD) and the New York City Board of Standards and Appeals (BSA) have also adopted the same rule to similarly speed up housing projects they fund or approve. Green Fast Track proposals requiring a rezoning will still undergo the city’s existing Uniform Land Use Review Procedure (ULURP). Similarly, proposals within historic districts will maintain oversight from the Landmarks Preservation Commission.



## Bills Passed by the City Council

**Introduction 84-A, Sponsored by Council Member Carlina Rivera** -- Requires a mayoral office or agency designated by the mayor, in consultation with the Mayor's Office of Immigrant Affairs (MOIA), to develop a survey of newly arrived migrants, including those who have arrived recently and those seeking asylum, to elicit information related to skills, economic opportunities, and workforce development obstacles.

**Introduction 85-A, Sponsored by Council Member Carlina Rivera** -- Requires a mayoral office or agency designated by the mayor, in consultation with MOIA, to develop a health survey of migrants to elicit information related to migrants' long-term health needs, chronic conditions, and healthcare access needs.

**Introduction 743-A, Sponsored by Council Member Carmen De La Rosa** -- Requires municipal agencies to coordinate with the Department of Citywide Administrative Services (DCAS) to offer career counseling to eligible municipal employees to advise them of career advancement processes and opportunities.

**Introduction 767-A, Sponsored by Council Member Crystal Hudson** -- Requires DCAS to create a workplace culture survey to be completed by municipal employees every other year on an anonymous and voluntary basis.

**Introduction 809-A, Sponsored by Council Member Carmen De La Rosa** -- Requires DCAS to publish a report on its website every other year regarding DCAS' determination of promotional exam applicant eligibility.

**Introduction 908-A, Sponsored by Speaker Adrienne Adams** -- Requires the advice and consent of the Council as part of the appointment process for 20 additional city agency commissioners, upon subsequent approval by voters in a citywide election.

## Briefs

### Attorney General James Announces Agreement with Northwell to Help More NYers Receive Financial Assistance for Medical Care

New York Attorney General Letitia James this week announced an agreement with Northwell Health (Northwell), to improve and expand access to financial assistance for millions of New Yorkers at Northwell facilities and clinics across the state, including all 21 Northwell hospitals.

Under the agreement, New Yorkers earning under five times the federal poverty level, \$75,300 for an individual or \$156,000 for a family of four, will be eligible for free or discounted care.



Under New York's Hospital Financial Assistance Law and state tax codes, nonprofit hospitals are required to provide financial assistance to low-income consumers and prohibit predatory debt collection. Today's agreement strengthens and expands Northwell's financial assistance program beyond the requirements of the New York Hospital Financial Assistance Law to help more New York patients.

As a result of the agreement, uninsured or under-insured patients earning twice the federal poverty level or less will receive free medical care. Patients earning between three and five times the federal poverty level will receive discounted medical services based on Medicaid or Medicare rates. The OAG and Northwell worked together to simplify Northwell's public notices on financial assistance to make them more accessible and understandable for patients.

## **Governor Hochul Announces the Finalization of New Contracts for Empire Wind 1 and Sunrise Wind**

Governor Kathy Hochul this week announced the finalization of new contracts for Empire Wind 1, a planned 810-megawatt project (developed by Equinor), and Sunrise Wind, a planned 924-megawatt project (developed by Ørsted and Eversource) as the result of New York's fourth offshore wind solicitation.

The two offshore wind projects, totaling over 1,700 megawatts, will produce enough energy to power over one million New York homes and will be the largest power generation projects in New York State in over 35 years once they enter operation in 2026, according to the Governor. The competitively selected projects will create more than 800 construction jobs, and invest \$2 billion in enhanced economic development statewide, including developer-committed investments to support disadvantaged communities.

Empire Wind 1 and Sunrise Wind were previously awarded by NYSERDA in 2019 as part of NYSERDA's first offshore wind solicitation and re-awarded in 2023. As part of the new contracts, the projects will be held to new provisions that bring additional benefits to the State, including:

- New economic benefit commitments above what was originally contracted, including \$32 million committed to community-focused investments in New York's disadvantaged communities and \$16.5 million towards wildlife and fisheries monitoring.
- Commitments to purchasing a minimum of \$188 million of U.S. iron and steel, supporting U.S. manufacturing and the New York Buy American Act.
- Requirements for Labor Peace Agreements for operations and maintenance services.

## **Mayor Adams Appoints Louis Molina as Next Commissioner of Department of Citywide Administrative Services**

Assistant Deputy Mayor for Public Safety Louis A. Molina will be the City's next Commissioner of the Department of Citywide Administrative Services (DCAS). Mayor Adams has tasked Molina with leading the operational agency that manages the city's hiring and training, buildings, procurement processes, municipal vehicle fleet, and efforts to reduce carbon emissions from government operations, among other critical functions.

“DCAS is the foundation of our city government — ultimately making it possible for city agencies to carry out our vision of protecting public safety, rebuilding our economy, and making this city more livable,” said Mayor Adams.

Molina assumed the role of assistant deputy mayor for public safety in October 2023. Immediately prior to serving as assistant deputy mayor, he served as the commissioner of the New York City Department of Correction (DOC), joining at the start of the Adams administration in January 2022. Prior to joining the Adams administration, Molina served as chief for the City of Las Vegas’ Department of Public Safety, where he oversaw the city’s jail, deputy city marshals, and Animal Protection Services.

## **Comptroller Lander Proposes Charter Revisions to Better Manage New York City’s Finances**

New York City Comptroller Brad Lander this week proposed a set of changes to New York City’s fiscal framework. The proposals were presented in the Comptroller office’s latest report, [\*A Stronger Fiscal Framework for New York City\*](#), which could be codified through amendment of the New York City Charter.

The proposals include:

- Adopt a policy to govern the target size, deposits, and withdrawals from the City’s rainy-day fund.
- Mandate regular efficiency reviews and long-term savings targets, including making agencies accountable for judgments and claims against the City which are their responsibility.
- Require that debt service does not exceed 15 percent of City tax revenues and that the Capital Stabilization Reserve be used to ensure this target is maintained.
- Modernize the City’s approach to infrastructure assessment, capital planning and budgeting to comply with Government Finance Officers Association (GFOA) and Municipal Finance Officers’ Association (MFOA) best practices.
- Mandate timeframes for each stage of the contracting process.

# ***Coming Up***

## ***New York State***

***Monday, June 10<sup>th</sup>***

***NYS Board of Regents Meeting***, Seminar Room 5<sup>th</sup> Floor, 9 a.m.

***NYS Board of Regents Higher Education Meeting***, Seminar Room 5<sup>th</sup> Floor, 11:10 a.m.

***NYS Education Department P-12 Meeting***, Seminar Room 5<sup>th</sup> Floor, 12:10 p.m.

***Tuesday, June 11<sup>th</sup>***

*NYS Board of Regents Executive Session Meeting*, Seminar Room 5<sup>th</sup> Floor, 9 a.m.

*NYS Board of Regents Meeting*, Seminar Room 5<sup>th</sup> Floor, 11:30 a.m.

*Cannabis Control Board Meeting*, SUNY Global Center, 1 p.m.

***New York City***

***Monday, June 10<sup>th</sup>***

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

*Committee on Parks and Recreation*, 250 Broadway – Committee Room, 16<sup>th</sup> Floor, 11 a.m.

*Committee on Higher Education*, Council Chambers – City Hall, 2 p.m.

***Tuesday, June 11<sup>th</sup>***

*Committee on Small Business*, Council Chambers – City Hall, 10 a.m.

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

*Committee on Rules, Privileges, and Elections*,  
250 Broadway – Council Chambers, 14<sup>th</sup> Floor, 10 a.m.

*Committee on Zoning and Franchises*, 250 Broadway – Council Chambers, 16<sup>th</sup> Floor, 11 a.m.

*Committee on General Welfare*, 250 Broadway – Council Chambers, 16<sup>th</sup> Floor, 1 p.m.

***Wednesday, June 12<sup>th</sup>***

*Committee on Consumer and Worker Protection*, Council Chamber – City Hall, 10 a.m.

*Committee on Landmarks, Public Sitings and Dispositions*,  
250 Broadway – Committee Room, 16<sup>th</sup> Floor, 11 a.m.

***Thursday, June 13<sup>th</sup>***

*Committee on Land Use*, 250 Broadway – Committee Room, 16<sup>th</sup> Floor, 11 a.m.

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

***Friday, June 14<sup>th</sup>***

*Committee on Governmental Operations, State & Federal Legislation*,  
Committee Room – City Hall, 10 a.m.

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