



# This Week in New York

**Covering New York State and City Government**

*A Publication of Pitta Bishop & Del Giorno LLC*

*February 18, 2022 Edition*



*“Every record has been destroyed or falsified, every book rewritten, every picture has been repainted, every statue and street building has been renamed, every date has been altered. And the process is continuing day by day and minute by minute. History has stopped. Nothing exists except an endless present in which the Party is always right.”*  
*-George Orwell, 1984-*

## *In the News – New York State*



### **Court of Appeals Chief Judge Renews Plan to Consolidate Court System**

Court of Appeals Chief Judge Janet DiFiore once again laid out her demand to amend the State Constitution to create a new structural framework for New York's court system, as part of her [State of the Judiciary Address](#) delivered this week.

Under the plan, instead of eleven distinctly defined trial courts, the framework would include three basic court structures. Six divisions — family, probate, criminal, state claims, commercial and general — would be created under the new version of the Supreme Court. The new Municipal Court would absorb New York City's civil and criminal courts, the District Courts in Nassau and Suffolk Counties and the 61 upstate city courts. There would be no changes to the town and village courts.

“... We need to streamline and modernize our obsolete trial court structure, but inexplicably reform is never seriously pursued,” Judge DiFiore asserted.

The proposal also includes several enhanced cross jurisdictional powers for the Chief Judge.

“The story of last year's State of Our Judiciary was the heroic and resilient efforts of our court family to keep the courts open and functioning in the midst of an unprecedented public health crisis,” the Chief Judge asserted. “The story of this year's State of Our Judiciary is how our judges, staff and court leaders have risen above the day-to-day pressures of the pandemic not only to resume our singular focus on achieving operational and decisional excellence but also to set their sights on historic reforms to maintain the public's trust and confidence in our courts and the broader justice system.”



## Legislature Approves Bill to Start Adult-Use Marijuana Cultivation



The Assembly and Senate this week approved a bill to authorize adult-use licenses for the cultivation and processing of cannabis in the State by currently approved hemp growers, jump-starting New York's Adult-Use Cannabis Program. The measure now goes to Governor Kathy Hochul for consideration.

"These temporary licenses are the next step in getting our state's market up and running," Assembly Speaker Carl Heastie said. "Allowing already licensed hemp growers to obtain temporary conditional licenses will not only get New York on track, but it will require they help others – especially MWBEs and others who are frequently left behind in this industry – get a foot in the door and be successful."

Sponsored by Senate Agriculture Committee Chair Michelle Hinchey and the Assembly Majority Leader Crystal Peoples-Stokes, the bill adds a regulatory framework for the licensing of growing marijuana in New York following the passage last year of the Marijuana Taxation and Regulation Act. The State Cannabis Control board is currently drafting comprehensive regulations for program which are expected by the end of the year.

Under the bill, applicants who are eligible for licenses must possess valid industrial hemp grower authorization from the state Department of Agriculture and Markets as of Dec. 31, 2021. In addition, the growers would need to have grown and harvested hemp for at least two of the last four years.

The licenses would allow for growing cannabis outdoors or in greenhouses with up to 20 artificial lights. License holders would be permitted to manufacture and distribute cannabis products. Starting June 1, 2023, cultivators and processors would be required to apply for a distributor license.

The legislation also includes a social equity mentorship program and an environmental sustainability program.

# *In the News – City*



## **Mayor Adams Unveils First NYC Preliminary Budget**

New York City Mayor Eric Adams this week presented New York City’s \$98.5 billion [Preliminary Budget for Fiscal Year \(FY\) 2023](#). The budget “prioritizes” public safety, while implementing a Program to Eliminate the Gap (PEG), reducing budgeted city headcount, and exercising fiscal caution in response to mixed economic signals.

Mayor Adams required most City agencies to cut spending by 3 percent and promoted gradually reducing the municipal workforce by 10,000 through attrition and unfilled vacancies. As part of the PEG, the Adams administration reduced the budgeted city headcount by 3,200 in FY22 and 7,000 in FY23 by eliminating vacancies and attrition.

The Departments of Health and Corrections and the NYPD were exempt from the 3 percent budget cuts. NYPD spending remained flat, while the Correction Department saw an increase from \$800 million to \$1.2 billion.

The number of unfilled school safety agent positions would be reduced by 560 under the Mayor’s budget plan, according to published reports. No currently employed safety agents would be impacted, however, the plan impacts the number of safety agents the city could hire.

According to the Mayor, new spending of \$536 million in FY22 and \$926 million in FY23 in this budget is wholly offset by nearly \$2 billion achieved within the PEG. In addition, FY22 tax revenues reflect a \$1.6 billion increase over the November Plan, driven by better-than-expected personal and business income taxes, sales taxes, and transaction taxes. Tax revenue growth of \$726 million in FY23 over the November Plan is due to higher-than-expected property tax values.

This budget advances Mayor Adams’ Blueprint to End Gun Violence, in which the Adams administration is using the New York Police Department’s existing resources more efficiently to redeploy officers to subway platforms and onto trains and create Neighborhood Safety Teams, anti-gun squads focused on reducing gun violence around the city.

Mayor Adams also increased budget reserves to a total of \$6.1 billion — more than \$1 billion more than the FY22 level, and the highest level achieved in city history. There is now \$1 billion in the General Reserve, \$1 billion in the Rainy Day Fund, \$3.8 billion in the Retiree Health Benefits Trust, and \$250 million in the Capital Stabilization Fund.

The Administration removed \$500 million in unidentified labor savings from the FY23 budget and future plan years.

NYC Council Speaker Adrienne Adams and Council Finance Committee Chair Justin Brannan called the Mayor's budget "a promising start to the budget process."

"As our City looks ahead to a post-pandemic recovery, we must strive to adopt a budget that promotes equity, health and safety for all New Yorkers," the members said in a joint statement. "Baselined funding for Fair Fares to help support public transit access for low-income New Yorkers and the historic investment in employment for young people are major steps forward for our City. We also appreciate the Mayor's proposals for new family health services, expansion of the Earned Income Tax Credit, and support for the Fair Futures program that assists young people in successfully transitioning out of foster care. We must continue investing in New York City's families and workforce, while ensuring affordable housing, health equity, small businesses and mental health care are priorities."

New investments in the FY2023 budget include:

- Increase New York City Earned Income Tax credit (to \$250 million in FY23).
- Guarantee annual funding for the Fair Fares program (\$75 million in FY23).
- Creating more childcare space with a property tax abatement for property owners who retrofit property (\$25 million in FY23).
- Increase tax credits for businesses that provide free or subsidized childcare (\$25 million in FY23).
- Reducing maternal deaths and childbirth complications and provide care coordination to high-risk patients with Maternal Medical Home and Obstetric Simulation Training (\$3 million in FY23).



## Adams Administration Appointments

**Renee Campion as Commissioner of the Office of Labor Relations (OLR).** Campion served as commissioner in the previous administration and is the first woman to lead the office. A 20-year veteran of OLR, Campion will continue to represent the Mayor in labor relations and advise the Mayor on citywide policies governing labor relations. Prior to her time at the Office of Labor Relations, Campion was director of Contract Administration for Doctors Council SEIU. She holds a B.A in American Government from Clark University.

**Zachary Iscol as Commissioner of NYC Emergency Management (NYCEM).** Not for profit head Zachary Iscol will serve as the Commissioner of NYC Emergency Management. A former U.S Marine, Iscol has built and led businesses, including the non-profit health care provider, the Headstrong Project. The Headstrong Project now cares for over 1,000 veterans a week, in more than 30 cities, and provides free mental health care to veterans and service members. As a Marine, Iscol served two tours in Iraq and on other assignments throughout Africa and the Middle East. He received his B.A. from Cornell University.

**Christina Farrell as First Deputy Commissioner of NYCCEM.** Christina Farrell has been acting First Deputy since October 2021 and Acting Commissioner since January 2022. During her time at the agency, Farrell has served as the director of grants, as well as assistant commissioner and deputy commissioner of external affairs. She is a graduate of Colgate University and has a Master of Public Administration from the University of North Carolina at Chapel Hill.



## **Adams Administration Reaches Settlement to End Illegal Short-term Rentals**

New York City Mayor Eric Adams this week announced a settlement that discontinues the operation of illegal hotels and allows low-income families affordable homes on the Upper West Side of Manhattan.

The \$1.1 million settlement between the Office of Special Enforcement (OSE) and hotel operator Hank Freid, ended the decade-long legal battle to protect tenants at buildings Fried used to operate illegal hotels. The lawsuit has generated nearly \$2 million in total penalties and stopped the illegal use of more than 300 Manhattan homes in one building and two other illegal hotels.

The Fortune Society has acquired the building and is working with the Department of Housing Preservation and Development (HPD) and the Department of Social Services (DSS) to turn it into 100 percent affordable housing, with rent protections, rehabilitation, and social services on site. This effort will create 82 total rent-restricted affordable apartments: 58 homes for formerly homeless New Yorkers, nine homes to be filled through the city's affordable housing lottery portal, Housing Connect, and 15 units for existing tenants who will receive additional protections from the city to maintain their affordable rents.

Under the terms of this settlement, the City will receive a permanent injunction against illegally using or advertising the property for short-term rentals. Additionally, the City will receive \$622,550 in penalties for sustained illegal activity and \$477,450 to pay for 333 violations issued by OSE inspectors — including \$306,450 for 270 illegal occupancy and safety violations and \$171,000 for 63 violations issued for illegally advertising the buildings for short-term rentals. The settlement also results in the dismissal of Freid's lawsuits challenging state law and the city's enforcement.

Freid's business entities were the first to receive violations for illegal advertising under a 2016 law.

# Briefs

## New York State's First Chief Disability Officer

Governor Kathy Hochul this week announced the establishment of the Office of the Chief Disability Officer to advocate on behalf of persons with disabilities and appointed Kimberly T. Hill as the State's first Chief Disability Officer. The Office of the Advocate for People with Disabilities was established by Chapter 834 of the Laws of 2021.

"My administration is committed to protecting the right of all New Yorkers to live and work in our state free from the fear of discrimination," Governor Hochul said. "It is critical that we prioritize the protection of our most vulnerable communities, and the new Office of the Chief Disability Officer will ensure we remain accountable to the pursuit of a more diverse, inclusive, and equitable New York."

Hill has most recently served as the Principal Analyst for the New York State Assembly Standing Committee on People with Disabilities. She previously served as Director of the Assembly Task Force on People with Disabilities, which focused on issues pertaining primarily to people with physical and sensory disabilities. In that role, Ms. Hill worked with disability advocates, Assembly Chairpersons and staff on several priority issues which led to the passage of bills such as the Most Integrated Setting Coordinating Council (MISCC), the Nursing Facility Transition and Diversion Waiver, New York State's Medicaid Buy-In Program, and the codification of Titles II and III of the Americans with Disabilities Act (ADA) into State law.

## Mobile Sports Betting in New York: Nearly \$2 Billion Bet in First 30 Days, a New United States Record

New York hit nearly \$2 billion in wagers in its first 30 days of allowing mobile sports betting, topping the previous record of \$1.3 billion set by New Jersey last October. Wagering generated over \$70 million in tax revenue for the State.

New York had surpassed the New Jersey record after 23 days of the mobile sports sites operating in the state, and ended its first 30 days at \$1.98 billion, Governor Kathy Hochul announced this week.

"Over the past month, we've seen how mobile sports wagering can be an economic engine for New York, driving significant funding to our schools, youth sports, and so much more," she said.

New York legalized mobile sports betting in 2021, and it came online January 8<sup>th</sup>. The State New York charges a 51-percent tax on mobile sports betting.

## Governor Extends COVID State of Emergency

Governor Kathy Hochul this week extended the COVID-related State of Emergency in New York through March 16, signing an Executive Order to maintain the state government's disaster emergency powers. This will allow state officials to continue various efforts to support COVID-19 vaccine distributions and enforce other regulations intended to limit the virus' spread.

Last week Governor Hochul lifted New York's indoor mask mandate for business. She maintained the State's mask mandate for schools in place, noting the measure would be re-evaluated in early March. She indicated that on March 4<sup>th</sup> she expects to reevaluate mask requirements in schools.

## Attorney General James Recovers Over \$400,000 for Consumers Unfairly Charged for Expedited COVID-19 Tests

New York Attorney General Letitia James this week announced that her office recovered more than \$400,000 for New Yorkers who paid for expedited COVID-19 tests, but received their results later than the promised timeframe.

After the Office of the Attorney General (OAG) issued warning letters to [ClearMD Health](#) and [Sameday Health](#) to stop misrepresenting turnaround times for results, the testing labs refunded consumers who were unfairly charged. The companies also corrected their advertising and instructed employees to provide accurate information concerning turnaround times.

ClearMD Health refunded 1,198 consumers more than \$182,000 and Sameday Health refunded 3,110 consumers more than \$230,000.

## NYC Comptroller Proposes Plan to Ensure City's Nonprofits

### Get Paid on Time

New York City Comptroller Brad Lander and senior members of the New York City Mayor's Office this week released the findings of "[A Better Contract for New York: A Joint Task Force to Get Nonprofits Paid On Time](#)," which included five actionable steps to better manage and streamline the nonprofit contracting and procurement process.

According to the Comptroller, New York City contracts out many of its programs to nonprofits—from health and housing assistance, shelter operations to after school activities. Last year, the City procured \$12 billion in human services, totaling 40% of procured goods and services.

The primary recommendations for reforms included:

1. **Accountability and Transparency:** Create new systems that both hold city stakeholders accountable for timely procurement and contracting and increase transparency to nonprofit

providers and the public, including creating Contract-stat– a public data dashboard similar to Compstat.

2. **Streamline and Modernize:** Reduce inefficiencies and delays in the procurement and contracting process with improved and expanded adoption of the PASSPort digital procurement system across agencies.
3. **Fairness and Equality:** Lower the burden incurred by smaller, primarily BIPOC-led nonprofits when contracting with the City, including increasing the Returnable Grant Fund and rewriting the standard human services contract to acknowledge cost escalations, like cost-of-living adjustments, that would increase the original cost of these vital services contracts without the need for amendments.
4. **Leadership and Management Practices:** Establish leadership and management practices at the highest levels of city government, including the new Mayor’s Office of Nonprofits, with input from nonprofit organizations.
5. **Capacity Building:** Strengthen the capacity of nonprofit organization’s administrative and contracting capabilities through training and technical assistance to support nonprofits.

## *Coming Up*

### *New York State*

*No Scheduled Hearings*

### *New York City*

#### *Tuesday, February 22<sup>nd</sup>*

*Committee on Cultural Affairs, Libraries and International Relations*, Remote Hearing – Virtual Room 1, 10 a.m.

Oversight – Expanding Access to Cultural Institutions for Underserved BIPOC Youth and the BIPOC Community At Large.

*Committee on Women and Gender Equity*, Remote Hearing - Virtual Room 2, 1 p.m.

Oversight – Barriers to Accessing Survivor Services in New York City.

#### *Wednesday, February 23<sup>rd</sup>*

*Committee on Health and Subcommittee on COVID Recovery and Resiliency*, Remote Hearing - Virtual Room 2, 10 a.m.

Oversight – COVID-19: Looking Ahead.

*Committee on Civil Service and Labor*, Remote Hearing - Virtual Room 3, 1 p.m.

Oversight – How to Strengthen Worker’s Rights Across the New York City Workforce

**Thursday, February 24<sup>th</sup>**

**City Council**, Hybrid Hearing – Council Chambers – City Hall, 1:30 p.m.

**Friday, February 25<sup>th</sup>**

**Committee on Mental Health, Disabilities and Addiction**, Remote Hearing - Virtual Room 4, 10 a.m.  
Oversight – The Office of Community Mental Health-Plans to Address the Mental Health Crisis.

**Committee on Higher Education**, Remote Hearing - Virtual Room 3, 10 a.m.  
Oversight – CUNY Start and Development Education.

**Committee on Housing and Buildings**, Remote Hearing - Virtual Room 1, 1 p.m.  
Oversight – The Impact of Covid-19 on NYC Housing Vacancies and Assessing the Ongoing Need for Emergency Rental Assistance Program.

**Committee on Hospitals**, Remote Hearing - Virtual Room 2, 2 p.m.  
Oversight – Access to Primary Care via NYC Hospitals.



President's Day

**FEBRUARY 21, 2022**

**“No man can be a good citizen unless he has a wage more than sufficient to cover the bare cost of living, and hours of labor short enough so after his day’s work is done he will have time and energy to bear his share in the management of the community, to help in carrying the general load.”**

**-Theodore Roosevelt-**

**Disclaimer:** The materials in this *This Week in New York* report are provided for informational purposes only and are not intended to be a comprehensive review of legislative or governmental or political developments, to create a client-consultant/lobbyist relationship, or to provide consulting, lobbying or political advice. Readers are cautioned not to attempt to solve specific problems on the basis of information contained in this *This Week in New York*. If consulting, lobbying or government relations advice is required, please consult a professional expert in such matters. The information contained herein, does not necessarily reflect the opinions of Pitta Bishop & Del Giorno LLC, or any of its members or employees or its clients.

Neither Pitta Bishop & Del Giorno LLC, nor its members or employees make any warranty, expressed or implied, and assume no legal liability with respect to the information in this report, and do not guarantee that the information is accurate, complete, useful or current. Accordingly, Pitta Bishop & Del Giorno LLC is not responsible for any claimed damages resulting from any alleged error, inaccuracy, or omission. This communication may be considered an advertisement or solicitation.

To request that copies of this publication be sent to a new address or fax number, to unsubscribe, or to comment on its contents, please contact Theresa Cosgrove at [tcosgrove@pittabishop.com](mailto:tcosgrove@pittabishop.com) or at (518) 449-3320.

**To Our Clients:** If you have any questions regarding any of the matters addressed in this newsletter, or regarding any legislative, government relations or political or consulting or related issues in general, please contact the Pitta Bishop & Del Giorno LLC professional with whom you usually work.

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

**120 Broadway, 28th Floor  
New York, New York 10271**  
Telephone (212) 652-3890  
Facsimile (212) 652-3891

**111 Washington Avenue, St. 401  
Albany, New York 12210**  
Telephone (518) 449-3320  
Facsimile (518) 449-5812

**25 Hyatt Street, St. 202  
Staten Island, New York 10301**  
Telephone (718) 943-1050  
Facsimile (718) 943-1051

**1220 19<sup>th</sup> Street NW  
Washington, D.C. 20036**  
Telephone (202) 964-475  
Facsimile (202) 964-5754