



This Week in New York

Covering New York State and City Government

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“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 – State



New York’s COVID-19 Shutdown Results in \$30 Billion Deficit

The economic shutdown to slow the spread of COVID-19 has New York facing a \$30 billion deficit over the next two years, according to Governor Andrew Cuomo. The State is grappling with a \$14 billion deficit this budget cycle and a \$16 billion gap is projected for the next fiscal year.

In addition, the Metropolitan Transportation Authority (MTA) is facing an expected \$12 billion gap, the Port Authority of New York and New Jersey is looking at a \$3 billion shortfall, and New York City is dealing with a \$9 billion hole.

Unless Congress provides assistance, the Governor asserted, local governments, schools, and hospitals could see 20 percent in funding cuts.

Due to its precarious financial condition, New York State will postpone sending the \$3 Billion Restore Mother Nature Bond Act to the state’s voters this fall. "It's not a financially prudent time" to place the environmental bond referendum on the November ballot, Governor Cuomo said. The Bond Act--the largest in state history--was aimed at reducing the risk of flooding for vulnerable communities, restoring habitats, and preparing the State for climate change.

On the national level, the economy contracted at a record rate last quarter. According to the Commerce Department, the United States gross domestic product (the value of all goods and services produced across the economy) fell at a seasonally and inflation adjusted 32.9% annual rate in the second quarter, a 9.5% drop compared with the prior quarter.



Comptroller DiNapoli: Local Sales Tax Collections Drop for Second Quarter of 2020

June Collections Improved in Most Regions Except New York City

Sales tax revenue for local governments in New York dropped 27.1 percent in the second quarter compared to the same period last year, according to State Comptroller Thomas DiNapoli. Sales tax collections from April through June totaled \$3.3 billion, which was \$1.2 billion less than last year.

Collections for the month of June showed some improvement in most regions. Total collections were down 25.4 percent compared to June 2019, largely due to a steep decline in New York City. Most counties saw an improvement compared to the significant drops in April and May, and many had year-over-year June increases.

“Although there was a glimmer of hope in June, second quarter sales tax figures show how deep the COVID-19 pandemic is cutting into municipal finances,” Comptroller DiNapoli said. “Collections are down markedly, especially in New York City, revealing the effect of the pandemic on consumer behavior. We’ll be watching July closely to see the impact of the phased-in openings in different regions.”

All regions of the State have moved into the final phase (Phase 4) of the *NYForward* reopening plan.

Regionally, New York City’s second quarter decline of 34.9 percent was the result of deepening declines in April (-23 percent), May (-32 percent) and June (-46 percent). According to the Comptroller, New York City was clearly hit early and hardest by the pandemic and the effects have lingered longest, with more businesses still unable to reopen due to health concerns.

All regions saw their second quarter collections drop. Downstate, Long Island experienced the largest decrease outside of New York City at -24 percent, while the Mid-Hudson declined by 17.4 percent. In Upstate, declines ranged from -20.5 percent in the Southern Tier to -9.1 percent in the North Country.

Every region outside of New York City, however, saw an improvement in June. The North Country’s growth was the highest at 18.6 percent. Four other upstate regions also saw an increase in June collections overall. Even in regions where declines continued into June, the size of the decreases were not as steep.

In the News – City



NYCHA Presents a Blueprint for Change

Long-term Strategy Includes Establishing a Public Housing Preservation Trust and a Stabilization Plan for Every Building

NYCHA Chair & CEO Gregory Russ this week presented [A Blueprint for Change](#) stabilization plan, headlined by the creation of a Public Housing Preservation Trust that would enable the Authority to address \$18 billion to \$25 billion in capital need across roughly 110,000 apartments.

When combined with NYCHA 2.0 strategies across the other 62,000 apartments, the stabilization strategy will address the physical needs across the entire portfolio. NYCHA Chair Russ detailed the proposal at the New York Housing Conference's (NYHC) 2020 Rising Leaders Network Summer Series.

Under the plan, the Public Housing Preservation Trust--which requires State legislation--would be a State-created public benefit corporation. It is designed to complete large-scale construction and enter into long-term ground leases with NYCHA to access Tenant Protection Vouchers (TPV). NYCHA proposes using TPV subsidy as collateral to raise upfront debt. NYCHA would then be able to raise enough upfront capital funding to stabilize all 110,000 apartments.

The Authority, which would remain the owner of the land and the buildings, would enter into a long-term ground lease with the Trust; the Trust would oversee the capital construction improvements, while NYCHA staff continue to maintain and manage the properties. According to NYCHA Chair Russ, the Trust would allow NYCHA to retain its public, represented workforce.

The Authority is in the process of engaging residents, stakeholders, and elected officials to gather feedback, including the State Legislature on authorizing the Public Housing Preservation Trust and with federal partners on TPV appropriations and financing mechanisms.

NYCHA is also in the process of transforming the Authority's organizational structure. According to Chairman Russ, the goal is to develop an organizational plan by fall 2020 that empowers property managers to better respond to building conditions and institutes property-based budgeting.

In addition to the Trust, with NYCHA 2.0's PACT program, the Authority is financing the full renovation of 62,000 apartments, over one-third of the portfolio. The "Build to Preserve" initiative and air rights sales will provide for major repairs at additional apartments.



Bills Approved by the City Council

Introduction No. 1091-A, sponsored by Council Member Peter Koo, would require the Corporation Counsel to make available on a single page of the City's website a searchable and machine-readable compilation of all mayoral executive orders issued from 1974 to present.

Introduction No. 1154-A, sponsored by Council Member Karen Koslowitz, would require the encryption of exchanges or transfers of web content from websites maintained by or on behalf of the City, such as through the adoption of the HTTPS protocol.

Introduction No. 1609-A, sponsored by Council Member Ritchie Torres, would change the name of the Department of Consumer Affairs (DCA) to the Department of Consumer and Worker Protection. This bill would also establish the Office of Labor Standards and the Division of Paid Care as offices within the Department.

Introduction No. 1945-A, sponsored by Council Member Justin Brannan, would require the Department of Health and Mental Hygiene to annually report on neighborhood heat vulnerability and the number of heat-related deaths.

Introduction No. 1960-A, sponsored by Council Member Rafael Salamanca, would require the Office of Emergency Management, in consultation with the Department of Health and Mental Hygiene and the Office of Long-Term Planning and Sustainability, to prepare and submit an annual plan beginning by May 15, 2021, describing how the city would inform residents on the dangers of heat exposure, and access to cooling, including cooling centers.

Introduction No. 1967-A, sponsored by Laurie A. Cumbo, would require the New York City Department of Cultural Affairs to publish information for art and cultural institutions affected by COVID-19 on its website, related to what will be relevant to their reopening plans.

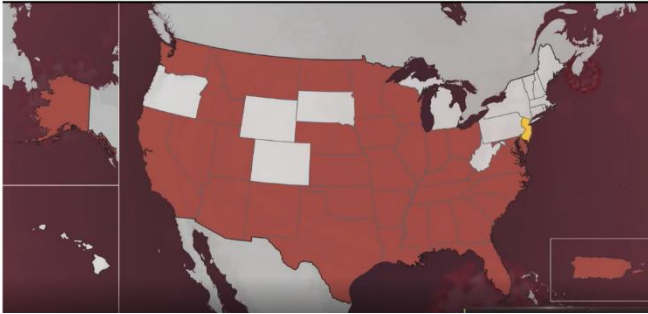
Introduction No. 1783-A, sponsored by Council Member Mark Levine, would exempt affordable housing cooperatives for sale from the requirements of the housing portal.

Introduction No. 1872-A, sponsored by Council Member Fernando Cabrera, would require the Corporation Counsel to make unconsolidated local laws enacted after January 1, 1985 that remain in effect available online in a searchable, machine-readable format.

Introduction No. 1879-A, sponsored by Council Member Keith Powers, would provide that whenever the Mayor designates a particular office or agency to administer or enforce any provision of the Charter or Administrative Code, the Mayor must publish such designation on the City's website and notify the Speaker within 10 days.

Briefs

NYS Quarantine: 36 Areas (34 States, Washington D.C. & Puerto Rico)



Governor Andrew Cuomo this week announced that three additional states -- Illinois, Kentucky and Minnesota, Puerto Rico, and Washington, D.C. meet the metrics to qualify for New York's travel advisory. The additions bring New York's 14-day quarantine requirement to 34 states, Washington D.C., and Puerto Rico.

The quarantine applies to any person arriving from an area with a positive test rate higher than 10 per 100,000 residents over a 7-day rolling average or an area with a 10 percent or higher positivity rate over a 7-day rolling average. The full, updated travel advisory list is below:

- | | | |
|----------------------|-------------|----------------|
| Alabama | Iowa | North Carolina |
| Alaska | Kansas | North Dakota |
| Arizona | Kentucky | Ohio |
| Arkansas | Louisiana | Oklahoma |
| California | Maryland | Puerto Rico |
| Delaware | Minnesota | South Carolina |
| District of Columbia | Mississippi | Tennessee |
| Florida | Missouri | Texas |
| Georgia | Montana | Utah |
| Idaho | Nebraska | Virginia |
| Illinois | Nevada | Washington |
| Indiana | New Mexico | Wisconsin |

Excelsior Scholarship Applications are Now Open

Applications for the Excelsior Scholarship Program, the State scholarship program that covers tuition at SUNY schools for students in households that make \$125,000 or less annually, opened this week. Approximately 30,000 SUNY students receive funding through the program.

The website indicates that the program funding levels are uncertain due the State's losses resulting from COVID-19:

Please note that the COVID-19 pandemic has dramatically reduced state revenues and the processing of new applications is pending on Federal assistance, which has been delayed since April. Excelsior Scholarship awards may have to be reduced and/or prioritized for current recipients as provided for under the program.

The Excelsior Scholarship Program application can be accessed [here](#).

New York State Moves to Adopt New Limits on Water Contaminants

New York State health officials moved Thursday to set new standards on allowable limits for three emerging contaminants in drinking water.

The Department of Health's Public Health and Health Planning Council (PHHPC) [approved an amendment](#) that sets maximum contaminant levels for PFOS, PFOA at 10 parts per trillion and at one part per billion for 1, 4-dioxane The new regulations require public water systems in the State to regularly test and monitor for these chemicals, regardless of size.

Following the PHHPC approval, and once approved by the Commissioner of Health, the final regulations will be published in the *State Register*. Once published, systems serving 10,000 people or more will be required to begin testing within 60 days, within 90 days for systems serving between 3,300 to 9,999 people, and within six months for systems serving less than 3,300 people.

Attorney General James Secures \$1.85 Million Following Medicaid Fraud by Global IT Company

Computer Sciences Corporation Used Children's Program to Misappropriate Taxpayer Funds

New York Attorney General Letitia James reached an [agreement](#) with former multinational internet technology company, Computer Sciences Corporation (CSC), resulting in \$1.85 million in recovered funds, with nearly \$1 million earmarked for New York State. The investigation revealed that the company violated state and federal law by improperly processing Medicaid claims for services rendered as a part of New York's Early Intervention Program.

According to the Attorney General, CSC, now known as DXC Technology, violated the U.S. and New York State False Claims Act between 2009 and 2013. As part of the agreement, CSC admitted that it performed insurance claims handling and processing services on behalf of New York City regarding the City's administration of the Early Intervention Program, which resulted in payments to the City that Medicaid would not otherwise have made. Specifically, CSC admitted that it utilized two coding mechanisms for their billing submissions that resulted in Medicaid making improper payments to the City.

The investigation was triggered by a whistleblower lawsuit filed under the federal and New York False Claims Acts. The whistleblower in this case will receive \$416,250 of the settlement proceeds from New York state and the federal government, combined. The state of New York will receive \$989,565.

9/11 First Responders at Increased Risk of Cognitive Disorders

World Trade Center first responders who were exposed to toxins while working at Ground Zero are at increasing risk of developing dementia and other forms of memory loss, according to studies conducted by researchers at Stony Brook University.

Approximately 15% of 9/11 first responders are showing signs of cognitive impairment at three times the rate of the general population in their age bracket, according to the study presented this week at the Alzheimer's Association International Conference.

According to published reports, the research indicates that 9/11 first responders who worked in lower Manhattan following the September 11, 2001 attacks, and who later developed post-traumatic stress disorder, are more likely to show neurological abnormalities and changes in their blood, similar to those seen in Alzheimer's patients and those with related dementias. The studies also found that the brain "age" of a first responder showing signs of cognitive impairment appears to be about 7 to 10 years older than the normal population.

An estimated 500,000 people, including 100,000 first responders, were potentially exposed to environmental contaminants in the aftermath of the terror attacks.

Mayor de Blasio Signs Executive Order to Support M/WBEs

Mayor Bill de Blasio this week signed an Executive Order to strengthen the City's utilization of Minority and Women-Owned Businesses (M/WBEs), including placing an M/WBE officer in all City agencies. In addition, he announced a series of new programs to connect Black and Latinx entrepreneurs to business opportunities, including government contract matching, access to pro bono business consultants, and mentorship networks.

The Executive Order establishes a Chief Diversity M/WBE Officer in all City agencies and encourages all City agencies to procure goods, services, and construction from M/WBEs for amounts up to \$500,000. In addition, the Executive Order requires that every City agency that is conducting procurement in response to the State of Emergency must consider at least one quote from a M/WBE before awarding the contract.

Coming Up

New York State

Monday, August 3rd

Residential health care facilities and COVID-19 – New York City, Long Island & Westchester
New York State Senate and Assembly Health and Aging Committees, Senate Committee on Investigations & Government Operations, and the Assembly Committee on Oversight, Analysis & Investigation. Remote Hearing, 10 a.m.

New York City

No meetings scheduled (at time of publication).

**“We believe in the ideas of family, mutuality,
the sharing of benefits and burdens
for the good of all, feeling one another’s pain,
sharing one another’s blessing
recognizing that at the heart of the matter
we are bound to each other.”
-Mario M. Cuomo-**

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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.

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