



This Week in New York

Covering New York State and City Government

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In the News – New York State



New York City's Tech Sector Is Booming

New York State's technology sector is the third largest and among the fastest growing in the nation, according to a report issued today by State Comptroller Thomas DiNapoli. The report shows that more than 80% of these job gains were located in New York City.

"New York City has become one of the most important tech hubs in the country," said Comptroller DiNapoli. "This industry has shown tremendous growth since 2010 and has become a large source of high-paying jobs while also creating new opportunities for workers with non-tech skills."

Employment in the tech sector in New York surpassed 280,000 jobs in 2016, which ranked the state third in the nation after California and Texas. Since the start of the job recovery in 2010, this sector has grown by nearly 26 percent across New York State, much faster than the tech growth in the rest of the nation (16 percent). Of the 10 states with the largest tech industries, New York was among the three states where growth exceeded 25 percent during that time.

Comptroller DiNapoli's report showed growth in the state's tech sector was driven by positions created in New York City. Specifically, employment in the city's tech sector grew by 57 percent (46,900 jobs) during the six-year period, while tech employment in the rest of the state increased by 7 percent (10,200 jobs).

By 2014, the number of jobs in New York City's tech sector had surpassed the peak reached in 2000 during the "dot-com" expansion. In 2016, the sector set a new employment record of 128,600 jobs in the city.

Highlights

- New York State had the third-largest tech sector in the nation in 2016. Of the 10 states with the largest tech industries, New York was among the three where growth exceeded 25 percent between 2010 and 2016.
- Employment in New York City's tech sector increased by 57 percent between 2010 and 2016 (46,900 jobs), growing more than three times faster than the rest of the private sector.
- Almost half of the job gains were concentrated in companies engaged in activities related to the internet.
- The number of tech firms reached 7,600 in 2016, an increase of 23 percent since 2010.
- Most tech workers were 45 years or younger, and most had at least a bachelor's degree. More than one-third were immigrants. One-quarter were women.
- Total wages paid to workers in the City's tech sector doubled since 2010 to reach a record \$18.9 billion in 2016.
- The average salary increased three times faster than the rest of the City's private sector to reach a record \$147,300 by 2016.
- The number of tech jobs in nontech industries increased by 31 percent between 2010 and 2016, nearly twice as fast as other jobs.
- The New York City metropolitan area ranked third in 2015 for technology-related patents, behind San Jose and San Francisco.
- The In-State Private Equity Program, managed by the State Comptroller, has invested heavily in tech companies. Since the initial investment, employment at these companies has more than doubled.

Comptroller Napoli noted that Mayor Bill de Blasio recently launched New York Works, a jobs plan that will spur 30,000 new jobs in tech, and includes key supports like doubling the number of City University of New York computer science graduates.

Other employment sectors in New York City are making greater use of technology. As a result, the number and share of tech jobs in these industries are also growing. For example, nearly 11 percent of the jobs in the securities industry are tech-related. Non-tech sectors are responsible for an estimated 111,500 tech jobs. Thus, in total, the larger tech community in the city accounted for a total of 240,100 jobs in 2016.

The Comptroller's In-State Private Equity Program invested in 226 companies in New York City between 2007 and 2016, including 210 that were tech-related. These investments totaled \$204.7 million and helped these companies expand. By 2016, employment at these companies had more than doubled (to 6,822 jobs) since the initial investment.

The report also revealed:

- The number of tech firms in New York City reached 7,600 in 2016, an increase of 23 percent since 2010;
- The average salary in the tech sector in New York City increased three times faster than the rest of the city's private sector between 2010-2016, reaching a record \$147,300 by 2016;
- While most of the city's tech jobs (86 percent) are located in Manhattan, the number in Brooklyn increased by nearly 50 percent, over the six-year period ending in 2016;
- Most tech workers were 45 years or younger, and most had at least a bachelor's degree. More than one-third were immigrants; one-quarter were women; and
- Nearly half of the jobs in the city's tech sector are with businesses engaged in computer systems design. These companies added 19,000 jobs since 2010, an increase of 44 percent.



DFS Issues New Regulations on Addiction Treatment

The New York State Department of Financial Services (DFS) this week announced new statewide guidance and regulations that will limit patient brokering and reduce barriers to insurance coverage for addiction treatment.

The DFS regulation will require insurers who offer large group coverage to allow consumers to appeal coverage denials for medically necessary addiction medications when they are not on the list of covered drugs. Insurers will be issued a checklist to ensure their compliance with new rules for reviewing the medical necessity of substance use disorder medications.

Healthy Steps

NYC Health + Hospitals/Gotham Health, Gouverneur and NYC Health + Hospitals/Coney Island have both launched Healthy Steps, a national program that helps identify children at risk during early childhood development and introduces steps to prevent behavioral health issues.

The Healthy Steps Specialist looks for symptoms of stress, anxiety, or lack of connectedness in young children. These symptoms occur in children from all social classes, but may be especially common among children impacted by poverty. Poverty may expose children to under-nutrition, early loss of caretakers, homelessness, or neighborhood violence. Unmitigated stresses like these can produce toxic stress, which negatively affects brain development in young children. “Toxic stress” refers to a child’s exposure to strong, frequent, and/or prolonged adversity without adequate support.

The two NYC Health + Hospitals facilities each received a \$369,000 grant from the New York State Office of Mental Health to institute Healthy Steps. NYC Health + Hospitals/ Gotham Health.

Project TEACH

Forty pediatricians from throughout NYC Health + Hospitals participated in a specialized Project TEACH program in February, focused on the integration of behavioral health and primary care. The providers—specialists in both pediatrics and adolescent medicine—learned practical and effective ways to better screen their young patients and facilitate further evaluation for children and teens who screen positive.

Project TEACH is a collaboration of the New York State Office of Mental Health, New York State Department of Health, Conference of Local Mental Hygiene Directors, American Academy of Pediatrics, and New York State Academy of Family Physicians. Its mission is to strengthen and support the ability of primary care providers to provide mental health services to youth in the providers’ practices.

100 Schools Project

OneCity Health, a subsidiary of NYC Health + Hospitals, and three other New York City-based Performing Provider Systems—Community Care of Brooklyn, Bronx Health Access, and Bronx Partners for Healthy Communities—launched the 100 Schools Project with a pilot last September. The program is now active in 40 schools, and this fall, 58 more schools will be engaged in the work. Through the 100 Schools Project, schools are learning how to connect students who have emotional, behavioral, or substance-use challenges with top-tier local mental health providers while enabling the students to remain in school. Local mental health and substance abuse providers are teaching educators, administrators, and guidance counselors how to recognize signs of distress, how to approach students and, where appropriate, their families, how to access local behavioral and mental health providers, and how to handle behavioral crises.

The original five pilot schools were in the Bronx, while the schools added in 2017 extended the project’s reach to Brooklyn, Queens, and Manhattan.

Bills Approved by the Council

Introduction 401-A, sponsored by Council Member Carlos Menchaca, would require the Department of Transportation and the Department of Parks and Recreation to issue a report on the potential installation of bike share near parks. Such report would be due on or before June 30, 2018.

Introduction 629-A, sponsored by Council Member Mark Levine, would require the Department of Parks and Recreation (DPR) to extend the length of the beach and pool season to one week past Labor Day to accommodate for warmer temperatures in September. It would also allow DPR to limit the season for public safety or extreme weather concerns.

Introduction 1236-A, sponsored by Council Member Joseph Borelli, would require DOHMH to submit a report to the Mayor and Speaker of the City Council on the number of individuals receiving services for autism spectrum disorders (ASD) from DOHMH or programs that are administered by DOHMH. This report is due no later than April 1 of each year and would also be available online. This report would allow the Council to track ASD services in different neighborhoods and ensure that services are available citywide.

Introduction 1424-A, sponsored by Council Member Andrew Cohen, would require DOE to include in their special education report to the mayor and speaker of the city council, the total number of students within each IEP disability classification disaggregated by district, eligibility for free and reduced price lunch program, race/ethnicity, gender, English Language Learner status, recommended language of instruction, and grade level. This additional information would encourage the Council to notice trends in IEP classifications in different communities and, if necessary, address inequities in service and/or diagnosis.

Introduction 1550-A, sponsored by Council Member Helen Rosenthal, would expand the City's harassment law to protect tenants of 1- and 2-family private dwellings.

Introduction 1566-A, sponsored by Council Members Daniel Dromm, Ydanis Rodriguez and Speaker Melissa Mark-Viverito, would expand the role and mission of the Mayor's Office of Immigrant Affairs (MOIA). MOIA would lead the City's efforts to promote the welfare of immigrants, regardless of status; work with the Civil Justice Coordinator to assess the legal service needs of immigrants; establish a state and federal affairs unit to follow changing federal laws and policies; consult with City agencies on the implementation of laws and policies designed to protect immigrants; consult with agencies on best practices for serving victims of crime and human trafficking; and report annually to the Council on its activities and the unique needs of the immigrant community.

Introduction 1578-A, sponsored by Council Member Carlos Menchaca and Speaker Melissa Mark-Viverito, would create a MOIA-led interagency task force to bring together the heads of city agencies and mayoral offices to assess the needs of New York City's immigrant community, and provide agencies with recommendations. Additionally, agencies would look for ways to coordinate City services for immigrants, especially particularly vulnerable immigrants such as victims of crime and human trafficking, individuals who are LGBTQI, individuals with criminal justice system involvement, and minors.

Briefs

Governor Launches “Keep it Clean” Subway Initiative

Governor Andrew Cuomo this week launched the "Keep It Clean" initiative to discourage subway littering, an underlying cause of flooding, fires and extensive delays in the subway system.

The MTA will run a public awareness campaign to inform riders of the impact on public safety due to littering. Governor Cuomo also directed the Department of Environmental Conservation to double the penalty for litter in the subway system from \$50 to \$100. The new fines will go into effect in seven days.

According to the Governor, litter severely impairs the system's ability to handle the millions of gallons of water pumped out of the system every day. Littering contributes to 700 fire-related incidents on the tracks every year. Additionally, in the last six months, incidents directly due to standing water conditions increased by 56 percent compared to the same period last year.

City Wins Legal Battle to Make Car Wash Industry More Fair for Consumers & Workers

New York City celebrated a victory this week in its legal battle to license and regulate the car wash industry. Following a successful court ruling, the Car Wash Accountability Law, which provides DCA licensing and regulatory authority over the industry will go into effect when the judgment is entered.

Car wash operators also will be required to maintain a surety bond from an authorized surety company to provide a source of funds from which to satisfy judgments for wage theft and consumer claims and obligations to the City. The law also authorizes DCA to refuse to issue a license to an applicant who lacks good character, honesty, and integrity. For example, DCA can deny a license if the applicant fails to provide truthful information or documentation in connection with their application. The law also contains environmental protection requirements about groundwater wastewater discharge and the discharge of materials and substances into the public sewer to protect the city's water supply.

The DCA application fee will be \$550 per location for a two-year license. Additional details about how to apply for a license and comply with the law will soon be made available by DCA. In preparation of this new license category, DCA will also conduct outreach and education for New York City car washes to ensure that they are aware of these new regulations.

New York City Council Announce \$1.5 Million in Funding Towards Immigrant Health Initiative

New York City Council Speaker Melissa Mark-Viverito and Immigration Committee Chair Carlos Menchaca this week announced the New York City Council's \$1.5 million investment for the Immigrant Health Initiative. Established in 2016, the Immigrant Health Initiative supports programs to decrease health disparities among foreign born and native New Yorkers by focusing on improving access to healthcare; addressing cultural and language barriers; and targeting resources and interventions.

The Immigrant Health Initiative supports local clinics, Federally Qualified Health Centers (FQHCs), community based organizations and community health centers to provide primary care, mental health services for uninsured immigrants. According to the NYC Department of Health, foreign-born adults younger than 65 are over twice as likely to be uninsured, compared to those that are U.S.-born (22% vs. 9%).

DFS levies \$225 million fine on Habib Bank

Financial Services Superintendent Maria T. Vullo this week announced that the Department of Financial Services (DFS) has fined Habib Bank and its New York branch \$225 million for failure to comply with New York laws and regulations designed to combat money laundering, terrorist financing, and other illicit financial transactions. The new consent order follows a 2016 DFS examination that found weaknesses in the bank's risk management and compliance and the bank's failure to undertake extensive remedial actions required by a 2015 consent order. As a result of DFS's most-recent findings, Superintendent Vullo has exercised her authority provided by the 2015 consent order to expand the scope of an independent review of the bank's operations. In addition, Habib Bank has agreed to surrender its license to operate the New York branch upon fulfillment of conditions outlined in a separate Surrender Order to ensure the orderly wind down of the New York branch.

Anthem Reaches Goal to Reduce Opioids Filled at Pharmacy by 30 Percent

Anthem, Inc's affiliated health plans reached the company's collective goal of reducing prescribed opioids filled at pharmacies by 30 percent during the past five years. According to Anthem, the health plans were some of the first to limit coverage for short-acting opioid coverage to seven days for all individual, employer-sponsored and Medicaid members beginning new opioid prescriptions. The primary reason for the quantity limits was to prevent accidental addiction and opioid use disorder, and to ensure clinically appropriate use consistent with Centers for Disease Control guidelines.

Anthem affiliated health plans took the following steps designed to help ensure clinically appropriate use of opioids and to proactively prevent the development of opioid use disorder:

- For short-acting opioids, initial prescriptions are limited to seven days. Members can only receive a maximum 14 days' supply for short-acting opioids in a 30-day period without additional authorization, consistent with CDC guidelines.

- For all long-acting opioids, prior authorization was put into place in September 2016, for initiation of therapy. Quantity limits for long-acting opioids have existed for many years, with exceptions for those who have terminal or chronic illness.

Federal Judge Strikes Down Overtime Rule

A federal judge has struck down the Obama administration overtime pay rules that would have expanded mandatory overtime pay to more than 4 million U.S. workers.

The ruled pertained to overtime pay for employees who work in an “executive, administrative or professional capacity.” Under current regulations, those employees must receive a salary of at least \$455 per week, or \$23,660 annually, or an employer must pay overtime. The new rule would have raised that salary requirement to \$913 per week, or \$47,476 annually.

In his order, Judge Amos Mazzant said the Department exceeded its authority by making salary level so high.

“The final rule more than doubles the previous minimum salary level,” Judge Mazzant wrote. “By raising the salary level in this manner, the department effectively eliminates a consideration of whether an employee performs ‘bona fide executive, administrative or professional capacity’ duties.”

The rule had been set to take effect December 1st.

Coming Up

New York State

No meetings scheduled.

New York City

Wednesday September 13th

Committee on Immigration, Committee Room, Council Chambers – City Hall, 10 a.m.

Committee on Economic Development, Council Chambers – City Hall, 1 p.m.

Committee on Contracts, Council Chambers – City Hall, 1 p.m.

Committee on Small Business, Council Chambers – City Hall, 1 p.m.

Thursday September 14th

Committee on Housing and Buildings, Council Chambers – City Hall, 10 a.m.

Subcommittee on Higher Education, Committee Room 16th Floor – 250 Broadway, 10 a.m.

Committee on Consumer Affairs, Council Chambers – City Hall, 1 p.m.

Committee on Education, Committee Room – City Hall, 1 p.m.

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