



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 – New York State



Construction Begins on NY’s 339-Mile Champlain Hudson Power Express Transmission Line to Bring Clean Energy to NYC

Infrastructure Development Expected to Bring \$3.5 Billion in Economic Benefits to New Yorkers and Create Nearly 1,400 Union Jobs

Governor Kathy Hochul this week celebrated the start of construction of the [339-mile Champlain Hudson Power Express transmission line](#), being developed by Transmission Developers Inc, to deliver clean energy from Hydro-Québec in Canada directly to New York City.

According to the Governor, the construction of the infrastructure project, which begins following the execution of a “union labor agreement” between the developer and New York State Building and Construction Trades, is expected to bring \$3.5 billion in economic benefits to New Yorkers while creating nearly 1,400 union jobs during construction.

"The Champlain Hudson Power Express transmission line is a monumental step toward protecting our environment and creating family-sustaining, green jobs in both upstate and downstate New York," Governor Hochul explained. "In partnership with union labor, this green infrastructure project will bring billions of dollars in economic benefits to our state and will pave the way for cleaner air and a healthier future for all New Yorkers."

Champlain Hudson Power Express aims to responsibly deliver a significant increase of renewable energy to New York City which has a “marked need for improved grid reliability and resiliency.” Once completed, Champlain Hudson Power Express will deliver 1,250 megawatts of clean hydroelectricity, enough to power over one million homes, and will reduce carbon emissions by 37 million metric tons statewide. The transmission line is expected to be fully operational in the spring of 2026.

The initial stage of construction activities, including site preparation and construction of a laydown yard, will begin in Washington County, near Whitehall, and is anticipated to continue through November 2024.



NYS Department of Financial Services Proposes Increased Regulation of Virtual Currency

The Proposed Regulation Sets Forth Process for Department to Assess Operating Costs for Virtual Currency Businesses, On Par with Regulated Banking and Insurance Entities

Superintendent of Financial Services Adrienne Harris announced this week that the New York State Department of Financial Services (DFS) has published a [proposed regulation](#) establishing how licensed virtual currency businesses would be assessed for costs of their supervision and examination.

Based upon authority provided in the State's FY23 budget, the proposed regulation provides DFS the ability to collect supervisory costs from licensed virtual currency businesses, similar to other licensed financial institutions in the state.

"New York State has been regulating virtual currency companies since 2015 with a robust prudential framework. Through licensing, supervision and enforcement, we hold companies to the highest standards in the world. This assessment authority will allow the Department to continue building the team that is leading the nation with a suite of regulatory tools," Superintendent Harris explained. "The ability to collect supervisory costs will help the Department continue protecting consumers and ensuring the safety and soundness of this industry."

According to Superintendent Harris, DFS is the "only entity in the world that has a robust, prudential regulatory framework" specifically for virtual currency companies. DFS's regulation and subsequent guidance provides transparent and timely rules to ensure the safety and soundness of the regulated entities and root out financial crimes like money laundering and terrorist financing. The regulation includes "rigorous" capitalization requirements, strict reserving and redemption standards, cybersecurity standards similar to those that apply to banks, and a prohibition on lending of customer assets for institutional profit.

At the time that DFS's initial virtual currency regulation was adopted in 2015, the Financial Services Law did not include a provision for the assessment of operating costs, similar to Banking and Insurance Law. The FY23 provided DFS with this authority.

The proposed regulation is subject to a 10-day preproposal comment period beginning December 1st, followed by a 60-day comment period upon publication in the *State Register*.

Last week Governor Kathy Hochul signed legislation which put a two-year moratorium on proof-of-work cryptomining operations in New York. The State will be conducting an environmental review of proof-of-work cryptomining during the moratorium.

In the News – New York City



Mayor Adams Issues Directive Authorizing Immediate Psychiatric Care for Individuals Suffering Untreated Severe Mental Illness in NYC

New York City Mayor Eric Adams this week announced a new pathway forward to address the ongoing crisis of individuals experiencing severe mental illnesses left untreated and unsheltered in New York City's streets and subways.

In a public address, Mayor Adams detailed a directive being issued immediately to city agencies and contractors involved in evaluating and providing care to individuals in psychiatric crisis so that more people in need of help receive it.

“As a city, we have a moral obligation to support our fellow New Yorkers and stop the decades-long practice of turning a blind eye towards those suffering from severe mental illness, especially those who pose a risk of harm to themselves,” said Mayor Adams. “It is not acceptable for us to see someone who clearly needs help and walk past them. For too long, there has been a gray area where policy, law, and accountability have been unclear, and this has allowed people in desperate need to slip through the cracks. This culture of uncertainty has led to untold suffering and deep frustration, but we cannot and will not allow it to continue...we are making a clear statement to our fellow New Yorkers that, by leading with compassion and care, we can do much more to help those among us in a severe mental health crisis, even when they are unable to, by no fault of their own, recognize their own needs. This is our moral mandate as a city and we will not fail to deliver for our most vulnerable.”

According to Mayor Adams, in accordance with state law and court precedent, the directive clarifies that outreach workers, city-operated hospitals, and first responders have the legal authority to provide care to New Yorkers when severe mental illness prevents them from meeting their own basic human needs to the extent that they are a danger to themselves. The directive — issued by Mayor Adams this week — seeks to dispel a persistent myth that the legal standard for involuntary intervention requires an “overt act” demonstrating that the person is violent, suicidal, or engaging in outrageously dangerous behavior likely to result in imminent harm.

Mayor Adams also announced that the city is developing a tele-consult line to provide police officers in the field with direct access to clinicians. This new tele-consult line will provide clinical advice to police officers when dealing with individuals in distress and ensure a compassionate response for those suffering with untreated serious mental illness. In addition, new clinical co-response teams deployed in New York City's subways to respond to those with serious mental health issues.

Mayor Adams also laid out an [11-point legislative agenda](#) that will be among his top priorities in Albany during the upcoming legislative session. Measures in Mayor Adams' legislative agenda include:

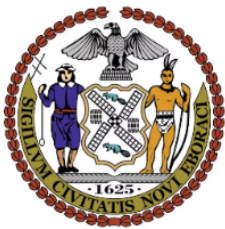
- Making the law explicit that a person requires care when their mental illness prevents them from meeting their own basic needs.
- Mandating that hospital clinicians consider a range of factors when assessing a patient's need for involuntary admission or retention, including known treatment history and current ability to adhere to outpatient treatment.
- Requiring hospitals to screen all psychiatric patients prior to discharge for their need to receive "assisted outpatient treatment" (court-ordered care under "Kendra's Law").
- Allowing a broader range of trained mental health professionals to perform evaluations and community removals of individuals in crisis.
- Requiring hospitals to notify known community providers when their clients are admitted or released and collaborate with community providers in preparing patients for discharge.

Also this week, State Comptroller Thomas DiNapoli released an [audit](#) which found that the NYC Department of Homeless Services (DHS) is falling short in meeting the needs of homeless New Yorkers, particularly those with mental health and substance abuse issues.

The audit examined DHS' assessment and placement of clients and found that far too often the assessments were insufficient in assessing when they had mental illness or substance abuse issues and individuals were placed in a shelter that could not give them the help they needed.

The audit covered 17,244 homeless individuals who were in DHS' Client Demographic Report and examined their current shelter/program assignment, length of stay at current facility, assessment screening scores (e.g., mental health, substance abuse, alcohol abuse) and medical diagnosis. Of these, auditors found 3,022 who were diagnosed with serious mental illnesses that should have qualified them for a mental health shelter. However, 26% (795) were not placed in a mental health shelter.

Comptroller DiNapoli's audit cited issues with DHS's "complex" assessment process including reliance on self-reporting of mental health and substance abuse issues, lack of standardization in the assessment process and delays in client placement.



Mayor Adams Signs Package of Bills to Improve Diversity Within FDNY

New York City Mayor Eric Adams this week signed a package of five bills to improve diversity within the Fire Department of the City of New York (FDNY).

The bills aim to address recruitment and retention of underrepresented groups within the department, as well as requiring the implementation of diversity, inclusion, anti-discrimination, and anti-harassment training.

The package included:

Intro. 516-A — Sponsored by New York City Council Speaker Adrienne Adams — establishes a recruitment and retention plan for firefighters. The bill requires the FDNY, in consultation with the New York City Department of Citywide Administrative Services (DCAS), to develop and implement a plan to recruit and retain individuals from underrepresented populations within the rank of firefighter.

Intro. 519-A — Sponsored by New York City Councilmember Joann Ariola — requires a survey of permanent firehouse upgrades to establish a working environment that facilitates use by a mixed-gender workforce. The bill requires the FDNY to survey each firehouse to determine the permanent facility upgrades necessary to facilitate use by a mixed-gender workforce. Upon completion of the survey, the FDNY will then submit a report on the findings of the survey detailing permanent facility upgrades necessary at each firehouse, the feasibility of implementing such upgrades, and any construction plans to make such upgrades.

Intro. 552-A — Sponsored by New York City Councilmember Kevin Riley — requires the FDNY to submit an annual report on the number of employees assigned to each firehouse or special operations unit, disaggregated by gender and race or ethnicity, as well as the number of individuals who reside within the immediate service area of each fire company, disaggregated by gender and race or ethnicity.

Intro. 553-A — Sponsored by New York City Councilmember Kevin Riley — requires the FDNY, in consultation with DCAS, to develop and implement a plan for providing ongoing training and education to all employees regarding diversity and inclusion, including training on the department's anti-harassment and anti-discrimination policies. FDNY will also be required to post an annual report on its website regarding efforts taken to implement such training.

Intro. 560-A — Sponsored by New York City Councilmember Nantasha Williams — requires the FDNY to submit an annual report on complaints filed with the department's Equal Employment Opportunity office regarding potential violations of the city's Equal Employment Opportunity policy. The report will include information on the number of complaints that resulted in corrective action taken by the FDNY, further disaggregated by the form of corrective action, including, but not limited to, formal reprimands, fines, loss of pay or benefits, transfers, suspensions, demotions, and terminations.



MTA Faced with \$600 Million Deficit in 2023 as Ridership Remains Below Pre-Covid Levels

Remaining Federal COVID Funding Falls Short to Cover Deficits & Authority Looks to Fare Increases & Subsidies

Metropolitan Transportation Authority (MTA) officials this week indicated that the Authority is facing a \$600 million deficit in 2023 because of the severe drop in riders during the pandemic. To reduce the deficit, the Authority has proposed a 5.5% fare increase.

Prior to the pandemic, the MTA realized over 40 percent of its operating budget from fare revenue. However, as more New Yorkers work from home during the pandemic, the Authority has had to rely on the \$15 billion in COVID federal aid for operational support.

In a Wednesday presentation to the MTA Board, Chief Financial Officer Kevin Willens outlined a budget plan to utilize \$5.6 billion in remaining federal Covid relief over the next several years to reduce budget caps. Under the plan, the 2023 gap will decrease from \$2.6 billion to \$600 million and the \$3 billion deficits in 2025 and 2026 would be reduced to \$1.2 billion in each year.

To help the Authority raise revenue, Willens also outlined a proposal to increase fares and tolls by 5.5 percent. Last year, the MTA increased tolls but delayed a planned fare hike to increase ridership riders. Fares were last increased in 2019. Any proposed fare increase would be subject to public hearings and approval by the MTA board.

MTA Chair Janno Lieber has also met with federal, state and local officials to help address the Authority's shortfall.

"We will work with all of the stakeholders — Washington, who is an important part of this equation, City Hall, Albany... everybody — to address the MTA's financial issues," Lieber said, according to published reports.

On Tuesday, State Comptroller Thomas DiNapoli issued a report that found that when compared to five other transit systems in similar metropolitan cities, the MTA relied more heavily on farebox revenue and less on subsidies from state and local sales tax and dedicated budget sources.

The Comptroller also noted that ridership has not increased enough for the MTA to balance its books. In 2019, fare revenue stood at \$6.4 billion, or 42.1%, of the MTA's total revenue. Today, fare revenue makes up only 24.5% of the MTA's revenue, excluding MTA Bridges and Tunnels.

Comptroller DiNapoli projected that ultimately, state, city, and federal leaders will also need to be a part of the discussion if the MTA is to identify and secure additional subsidies to achieve balanced budgets and maintain operations.



Staten Island Grand Jury Releases Report Detailing Criminal Ballot Fraud

Staten Island District Attorney Michael McMahon announced the release of a [Staten Island Grand Jury Report](#) containing the findings and recommendations of a Special Grand Jury convened to consider evidence relating to forgery, fraud, and other offenses committed during a 2021 Staten Island primary election. While the Grand Jury is barred from sharing the name of the candidate, campaign, or individuals involved, it criticized attempts to submit absentee ballot applications and actual ballots in violation of existing law.

In addition, the report calls out the insufficiency of signature verification to ensure voter identity, as well as gaps in New York election law that do not ensure all legally cast ballots are counted, that voters are not disenfranchised by fraud committed without their knowledge or consent, and that permit too much participation by candidates' campaigns in the absentee ballot process.

“This report should alarm all involved in the electoral process on Staten Island and across New York City and State, including the general voting public” said District Attorney McMahon. “While I fully support making voting as convenient as possible and applaud the efforts of candidates and their campaigns to inspire voters to express their constitutional right to vote, the accuracy, security, and public confidence in our elections must never be sacrificed in pursuit of these goals. I personally do not believe the outcome of this particular primary was affected by the misconduct found by the Grand Jury. However, the report does provide an aperture to view many possible scenarios where the results could be tainted if action is not taken.”

The report recognizes that while existing safeguards did prevent obvious forgeries from being counted in the results of this election, it cautions: “we do not know what we do not know” and “the abundant opportunities for unscrupulous candidates...to abuse the system without probable detection or criminal sanction cry out for remedy.”

Its recommendations include:

- Strengthen the process by which applications to change voter information (name change, party registration change, address change, etc.) and applications for an absentee ballot are submitted by requiring proof of identity beyond publicly available information.
- Require absentee ballot applications be submitted on paper with ink signatures, and require those signatures match the signature on the corresponding voter's registration form before an absentee ballot is issued.
- Mandate local boards of election retain the services of qualified experts in the field of forensic document examination to review absentee ballot envelope signatures for potential fraud.
- Prohibit absentee ballot applications and absentee ballots themselves from being sent to an address associated with a candidate's campaign. Currently, this practice allows “vote harvesting.”
- Require absentee ballots be sent only to the requesting voter's registered address or, at a minimum, prohibit absentee ballots from being sent to any address associated with an individual affiliated with a candidate's campaign.
- Prohibit individuals associated with a candidate's campaign from delivering voters' absentee ballots to the local board of elections office, or, at minimum, require such individuals who do so to produce photographic identification.
- Require voters voting by absentee ballot to enclose proof of identification, or at minimum, require their absentee ballot envelope be witnessed by another.
- Prohibit individuals associated with a candidate's campaign from handling absentee ballot cure letters and affirmations.
- Require voters to present some form of government-issued identification before voting, either physically at a poll site or by absentee ballot.

Briefs

State Health Commissioner to Step Down January 1st

New York State Health Commissioner Mary Bassett today announced her resignation as head of the State Department of Health effective January 1st. Commissioner Bassett will return to the Harvard Chan School of Public Health.

“I have tremendous admiration for the work our staff has done during a very difficult year responding to COVID, mpox, polio and the day-to-day challenges of protecting New Yorkers’ health,” Commissioner Bassett said. “I am grateful that the governor gave me the opportunity to serve as commissioner, and I know that the department and public health will be in good hands thanks to her leadership and the incredible talent and dedication of the staff.”

In a statement, Governor Kathy Hochul said that she’s “deeply grateful to Dr. Bassett for her service to New Yorkers and for her leadership during one of the most challenging public health eras of our lifetimes...I am proud that she brought her world-renowned expertise in equity and public health to the State Department of Health, and wish her the greatest success in her return to the Harvard Chan School of Public Health.”

A former New York City Health Commissioner, Bassett was appointed State Health Commissioner on December 1, 2021. She left the de Blasio Administration in 2018, to become Director of the François-Xavier Bagnoud Center for Health and Human Rights at Harvard University and a professor at the Harvard School of Public Health.

Independent Redistricting Commission Releases New Assembly Draft Maps

The state Independent Redistricting Commission voted on Thursday to move forward with a new [draft map](#) of the Assembly districts to be used in the 2024 elections.

The draft redistricting plan for the State Assembly is being submitted for public review and comment in accordance with the order of Justice Laurence Love of the Supreme Court of New York County in his opinion of September 29, 2022 (as amended on October 12, 2022), and in accordance with the New York Constitution. The commission also elected a new chair and vice chair and released a tentative schedule for public hearings across the state.

“I know I speak for the entire Commission when I say we are thrilled to have a unified redistricting plan,” newly elected Chair Ken Jenkins said.

Newly elected Vice Chair Charles Nesbitt said “I look forward to working together with my colleagues to complete the Assembly map as directed by the court.”

[Public hearings](#) will begin early next year and will be held in 12 locations across the state. Anyone can also submit testimony, public comment and suggestions through the website or by mail. The commission will need to present its final map to the Legislature by April 28th.

State Thruway Authority to Consider Toll Hikes

The New York State Thruway Authority Board will consider a proposal to increase tolls at its meeting on Monday, December 4th. The proposal includes a 5 percent increase for patrons with New York E-ZPass tags and a 75-percent hike for drivers who do not utilize E-ZPass.

If the board of directors votes to move forward with the proposal, a public hearing process would be launched with a final report due before the Board would make its final decision. If approved, the toll hike would take effect in January 2024 and would be the first toll increase for New York E-ZPass customers since 2010.

In addition, according to published reports, Authority Executive Director Matthew Driscoll is stepping down as of December 20th. Driscoll has led the Thruway Authority since 2017.

State Launches Legal Services Program to Aid Newly Arrived Immigrants in New York City

Governor Kathy Hochul this week announced the launch of three new legal services grants aimed at assisting the thousands of immigrants who have arrived in New York City this year. A total of \$3 million will be administered over three years by the New York State Office for New Americans to provide immigrants arriving in New York City with free immigration-related legal services and assistance with application filings and required appearances.

Services will be offered by three community-based organizations: Catholic Charities Community Services (CCCS), Archdiocese of New York; New York Legal Assistance Group (NYLAG); and Immigrant Advocates Response Collaborative (I-ARC).

Through ONA's existing legal providers CCCS and NYLAG, newly arrived immigrants can access free legal services including but not limited to change of address, change of venue, asylum applications, assistance with their employment authorization document (EAD), and deportation defense.

In addition, this new initiative will bolster the coordination and training efforts of I-ARC, which provides technical support to the legal organizations assisting new arrivals, legal orientation for volunteers, as well as facilitates information sharing between legal providers and with the immigrant community. CCCS will also recruit and support volunteer pro bono attorneys to provide additional capacity and legal assistance to new arrivals, as well as referrals for non-legal services.

New Ethics Training Requirements for Both Lobbyists & Clients go into Effect January 2023

The Ethics Commission Reform Act of 2022 has expanded ethics training to now include both Lobbyists and Clients. The new training initiative is expected to launch Wednesday, January 18, 2023.

The Commission on Ethics and Lobbying in Government now requires all Lobbyists (Principal, Individual and In-House Lobbyists) and all Clients (Contractual and Beneficial Clients) listed on a 2023-2024 Lobbyist/Public Corporation Statement of Registration to take a NEW online “Ethics for Lobbyists and Clients” course. This new course is mandatory for 2023 regardless of whether a Lobbyist has previously taken the current “Ethics for Lobbyists” course.

The Chief Administrative Officer (CAO) is responsible for taking training on behalf of Lobbyist and Client organizations. Training notifications will be sent to those organizations and individuals required to complete training. It is the responsibility of the Lobbyist and Client to verify that the Commission has the correct contact information for the organization.

According to the Commission, clients should prepare for the 2023 Training Initiative by:

1. Verifying your User Profiles in LA to receive notifications of the training requirement if you have not accessed the online LA at all or recently. Client Filers that have not yet accessed the LA are strongly encouraged to log in to the online application ASAP to identify and remediate any potential access issues; and
2. Verify that the CAO name and email address listed in the Client Filer’s Organization Profile remains accurate, as the CAO is responsible for completing the mandatory ethics training for the Organization. Please note that shared email addresses, general email inboxes, or other email addresses not directly affiliated to the CAO should not be used.

Coming Up

New York State

Tuesday, December 6th

Examining the Accuracy and Effectiveness of the Consumer Credit Reporting System

Joint – Assembly Standing Committee on Consumer Affairs and Protection & Banks
Roosevelt Hearing Room C, Legislative Office Building, 2nd Floor, Albany, 10 a.m.

Wednesday, December 7th

Solicit Public Opinion on Bills S. 15A and S. 7514 (Parole Justice)

Joint – Senate Standing Committee on Crime Victims and Correction & Judiciary
Van Buren Hearing Room A, Legislative Office Building, 2nd Floor, Albany, 10 a.m.

New York City

Tuesday, December 6th

Committee on Parks and Recreation, Council Chambers – City Hall, 1 p.m.

Oversight – Improving the Efficiency of Parks Capital Projects.

Committee on Hosing and Buildings, Committee Room -City Hall, 1 p.m.

Oversight – Examining the City’s Tools for Enforcing the Housing Maintenance Code.

Wednesday, December 7th

Committee on Rules, Privileges and Elections, Council Chambers – City Hall – Vote, 9 a.m.

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

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

Thursday, December 8th

Committee on Civil Service and Labor, Council Chambers – City Hall, 10 a.m.

Oversight – Support for New York City Worker Unionization Drives.

Committee on Civil and Human Rights, Committee Room – City Hall, 10 a.m.

Oversight – Fair Chance Housing.

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

Oversight – Mayor’s November Financial Plan.

Committee on Cultural Affairs, Libraries and International Intergroup Relations, City Hall, 1 p.m.

Oversight – Equity, Civic Engagement, and the Role of Libraries.

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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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