



# This Week in New York

Covering New York State and City Government

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June 4, 2021 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



**Donna Frescatore**



### State Medicaid Director & NYState of Health Head to Retire in August

Donna Frescatore, New York’s Medicaid Director and Executive Director of the NYState of Health, will retire from her positions effective August 11th, following 40 years of state government service.



Ms. Frescatore

Her retirement comes as New York State of Health - the state's official health plan Marketplace - reached a record-breaking enrollment total of 6 million New Yorkers who have signed up for health insurance through the Marketplace across Medicaid, Essential Plan, Child Health Plus, and Qualified Health Plans.

According to published reports, Brett Friedman, director of strategic initiatives and special Medicaid counsel at the Department of Health’s Office of Health Insurance Programs, will serve as the new point person for Medicaid and the Office of Health Insurance Programs. Danielle Holahan, deputy director of NY State of Health, will serve as point person for the exchange.

Frescatore returned to the role of Medicaid Director in 2018, having served as director under former Governor David Paterson from 2010-2012. In 2013, Governor Andrew Cuomo appointed Jason Helgeson as Director to lead his initial Medicaid Redesign effort. Prior to her reappointment as director, Frescatore led NY State of Health for five years, a position she maintained until her retirement and served as Governor Cuomo's Deputy Director of Health Care Redesign.

She joined the Department of Health in 1998 where she also served as Deputy Commissioner of the Department’s Office of Health Insurance Program; Deputy Director of the Office of Managed Care; and Director of Managed Care Financing.

Frescatore began her state service in the New York State Department of Civil Service Employee Benefits Division where she worked for 17 years. She entered service as an auditor and progressed to senior management positions responsible for overseeing the design and administration of health benefits for the over one million state and local government employees and retirees participating in the New York State Health Insurance Program.

## *In the News – City*



### **Comptroller DiNapoli: NYC Construction Industry Loses 44,000 Jobs During Pandemic**

#### ***Employment Fell for the First Time in Nine Years in 2020***

The loss of 44,400 construction jobs due to the COVID-19 pandemic in 2020 was the state's worst annual decline in the industry in more than 25 years, with more than half the losses coming from New York City, according to [a report released](#) this week by State Comptroller Thomas DiNapoli.

"The pandemic has had a devastating impact on the construction industry in New York City," Comptroller DiNapoli said. "The sector started back up last June, but even with pent-up demand for certain projects, jobs are still lagging behind the employment rebound in other industries."

As New York City was the early epicenter of the COVID-19 outbreak in the United States, the construction industry in the downstate area suffered disproportionately. In 2020, construction employment in the area declined by 12.9 percent, compared to a decline of 1.7 percent in the rest of the state. The city's construction employment declined by 14.4 percent (23,300 jobs) in 2020, worse than the private sector as a whole.

Queens lost the most construction jobs in 2020 (6,900) followed by Manhattan (6,800), Brooklyn (5,600), the Bronx (1,600) and Staten Island (1,200).

According to the Comptroller, construction was the city's fastest-growing sector from 2011 to 2019, rising by 43.5 percent, until it was brought to a halt by the pandemic. The number of construction firms in New York City grew by approximately 23 percent since 2010, reaching 15,370 in 2020. DiNapoli's office estimates that construction firms generated \$85 billion in economic activity in 2020, representing about 8 percent of the city's total economic output.

In New York state, employment reached a record 406,600 jobs in 2019, falling by 10.9 percent to 362,200 jobs in 2020. Overall, New York state had the highest construction job loss of any state and accounted for nearly 20 percent of the industry's job losses nationwide. In comparison, California, Texas and Florida had employment declines of less than 5 percent in 2020.

The New York Building Congress (NYBC) estimates that New York City construction spending (residential, nonresidential and government) in 2020 totaled \$55.5 billion, or \$5.1 billion (8.5 percent) less than the previous year. This was the first decline after eight consecutive years of growth, during which spending grew at an average annual rate of 12.9 percent to a record high of \$60.6 billion in 2019. Spending is expected to remain relatively flat in the next two years.

Government spending on construction was the only category of construction spending that grew in 2020, increasing by 6.7 percent, or \$21 billion. In its capital plan, the city expects to spend \$10.2 billion in FY 2021 and increase to \$15 billion by FY 2025.

Other findings of Comptroller DiNapoli’s report include:

- Construction was the fourth highest-paying employment sector in New York City in 2020, with an average salary of \$87,200. The sector was responsible for \$11.8 billion in wages.
- More than a quarter (27 percent) of the workers in the industry earned more than \$80,000 in the city.
- Immigrants held 53 percent of the construction jobs in New York City, much higher than in the rest of the state (18 percent) and the nation (24 percent).
- Most construction companies (91 percent) employed fewer than 20 people and were responsible for one-third of the jobs in the sector in New York City.
- From 2010 to 2019, the average salary in the construction industry increased by 20.5 percent, faster than the overall private sector (19.5 percent). In 2020, while total wages in construction declined for the first time since 2010, the average salary increased by 4.0 percent.
- The city had a higher share of minority-owned construction firms (25 percent) than in the rest of the state (21 percent) and the nation (19 percent).

# Briefs

## Enrollment in NYState of Health Tops 6 million

New York State of Health - the state's official health plan Marketplace - has reached a record-breaking enrollment total of 6 million New Yorkers who have signed up for health insurance through the Marketplace across Medicaid, Essential Plan, Child Health Plus, and Qualified Health Plans.

Enrollment as of May 31, 2021:

Medicaid	4,539,000
Essential Plan	893,000
Child Health Plus	387,000
Qualified Health Plans	220,000
Total	6,039,000

The milestone coincides with the increased financial assistance now available to New Yorkers through the [American Rescue Plan](#) for consumers enrolling in commercial coverage.

The American Rescue Plan introduced higher tax credits to current and new NY State of Health enrollees with lower or moderate incomes (below 400 percent of the Federal Poverty Level). For an individual, this is an income of up to \$51,040 per

year. For a family of four, this is an income of up to \$104,800 per year. The enhanced tax credits became available to New Yorkers starting on March 31 and in mid-May, the Marketplace automatically applied these higher tax credits to enrollees who had not already claimed them. In June, the eligibility for tax credits will expand to include higher-income individuals, or those with an income above 400 percent FPL. Also starting in June, NY State of Health will implement the system changes to make the maximum tax credit available to New Yorkers who receive unemployment benefits.

## **Wage Theft Protection Initiatives Pass Both Houses of the State Legislature**

The State Legislature this week approved two pieces of legislation further cracking down on wage theft in New York State.

Labor Committee Chairs Senator Jessica Ramos and Assemblymember Latoya Joiner sponsor legislation (A3550A/S2766C) which would hold the prime contractor of a construction project liable for wage theft committed by subcontractors. The legislation also provides general contractors new authority to oversee the books of subcontractors in order to better ensure that workers are being paid all-owed wages.

Senator Andrew Gounardes and Assemblymember Joanne Simon sponsor the “No Wage Theft Loophole Act” (S858/A1893) which seeks clarify that Article 6 of New York's Labor Law completely and without exception prohibits lack of distribution of earned wages. The legislation is in response to “narrow” court interpretations in relation to the term “deduction.”

Both measures will be sent to Governor Andrew Cuomo for consideration.

## **New York City and 21 Counties Sue McKinsey & Co. for Promoting OxyContin Sales**

New York City and 21 other counties are suing consulting firm McKinsey & Co. for its role in contributing to the opioid epidemic, the City Corporation Counsel office announced this week.

“Too many people have died and too many families have suffered from the opioid crisis that McKinsey helped fuel,” Acting Corporation Counsel Georgia Pestana said. “McKinsey targeted doctors they knew would overprescribe opioids and devised other immoral marketing schemes that helped the Sacklers line their pockets to the tune of billions of dollars before a bankruptcy. McKinsey continued to aid and abet Purdue to put profit over people, and our lawsuit seeks to hold McKinsey directly accountable to New York City and counties that are on the front lines confronting the opioid epidemic.”

The lawsuit, filed in U.S. District Court, alleges that McKinsey "played a major role in crafting and implementing" deceptive marketing strategies to encourage further use of OxyContin, developed by Purdue Pharma. Specifically, McKinsey "sought to capitalize on this increased addiction, knowing that addiction was, in the short run at least, good for business, turning unwitting patients into customers for life, and inflating Purdue's profits to make the company attractive for sale," according to the brief.

The suit argues the jurisdictions suing McKinsey "have been forced to expend exorbitant amounts of money to address the opioid crisis." The lawsuit seeks damages for the cost of this care and other costs associated with the opioid crisis and asks the court to order McKinsey to pay into an abatement fund.

## **Biden Administration Approves Gateway Project Environmental Impact Statement**

The Biden Administration has approved the environmental impact statement for the Hudson Tunnel Project, jumpstarting the Gateway Program to repair tunnels that were damaged by Superstorm Sandy and expand rail capacity between New York and New Jersey.

The approval allows New York and New Jersey officials to begin property acquisition, engineering and federal design development for the \$11.6 billion tunnel project. In addition, the States can now request federal funding.

"This is a big step for the Northeast, and for the entire country, as these tunnels connect so many people, jobs, and businesses," Secretary of Transportation Pete Buttigieg said in a statement.

## **Mayor de Blasio Appoints Victor Olds as Chief Procurement Officer and Director of the Mayor's Office of Contract Services**

Mayor Bill de Blasio this week appointed Victor O. Olds as Chief Procurement Officer and Director of the Mayor's Office of Contract Services (MOCS). Olds, who has served as General Counsel at MOCS since 2016, is succeeding outgoing Chief Procurement Officer and Director Daniel Symon.

As General Counsel at MOCS, Olds also advised Chief Procurement Officer, senior Administration officials and Mayoral Agencies on \$20 billion City procurement spending. Olds began his career as a Litigation Associate at an international law firm, where he litigated arbitration disputes and commercial contract agreements. He also served as Director of Young Adult Ministry at The Brooklyn Tabernacle, a multicultural, non-denominational church in Brooklyn.

Olds is a graduate of Cornell University and earned his JD from the Fordham University School of Law. He is a native New Yorker and lives in Brooklyn with his wife and two daughters.

# Coming Up



## NYS 2021 Legislative Session: That's All Folks



JUNE						
S	M	T	W	T	F	S
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

### New York State

#### Monday, June 7<sup>th</sup>

Assembly Session, NYS Capitol Building, (<https://www.nyassembly.gov/>), 2 p.m.

Senate Session, NYS Capitol Building, (<https://www.nysenate.gov/>), 3 p.m.

#### Tuesday, June 8<sup>th</sup>

Assembly Session, NYS Capitol Building, (<https://www.nyassembly.gov/>), tbd

Senate Session, NYS Capitol Building, (<https://www.nysenate.gov/>), 3 p.m.

#### Wednesday, June 9<sup>th</sup>

Assembly Session, NYS Capitol Building, (<https://www.nyassembly.gov/>), tbd

Senate Session, NYS Capitol Building, (<https://www.nysenate.gov/>), 3 p.m.

#### Thursday, June 10<sup>th</sup>

Assembly Session, NYS Capitol Building, (<https://www.nyassembly.gov/>), tbd

Senate Session, NYS Capitol Building, (<https://www.nysenate.gov/>), 3 p.m.

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

*Meeting of the Independent Redistricting Commission*, (<https://www.nysenate.gov/calendar/events/june-11-2021/meeting-independent-redistricting-commission>), 10 a.m.

**New York City**

**Tuesday, June 8<sup>th</sup>**

*Committee on Governmental Operations*, Remote Hearing (Virtual Room 1), 12:30 p.m.

*Committee on Consumer Affairs and Business Licensing*, Remote Hearing (Virtual Room 2), 1 p.m.

**Wednesday, June 9<sup>th</sup>**

*Committees on Immigration & Criminal Justice*, Remote Hearing (Virtual Room 2), 10 a.m.

*New York City Advisory Commission on Property Tax Reform*, Remote Hearing (Virtual Room 1), 6 p.m.

**“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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