



# This Week in New York

Covering New York State and City Government  
A Publication of Pitta Bishop & Del Giorno LLC  
July 7, 2023 Edition



*“Obstacles don't define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail.” Governor Kathy Hochul*

## In the News-New York State



### State Pension Fund Posts Negative Annual Investment Return

New York State Comptroller Thomas DiNapoli yesterday announced that the New York State Common Retirement Fund’s (Fund) investment return was -4.14% for the state fiscal year that ended March 31, 2023. The Fund closed the year valued at \$248.5 billion.

The Fund’s long-term expected rate of return is 5.9% and its fiscal year close value reflects retirement and death benefits of \$14.7 billion paid out during the fiscal year.

“Recent months have been trying for investors, but thanks to the state pension fund’s diverse investments, members, retirees and beneficiaries can rest assured their pensions are secure,” Comptroller DiNapoli said. “There is no doubt that challenges lie ahead, with concerns over a recession and potential interest rate increases, but the state pension fund is well positioned to weather these storms.”

This year’s return was the lowest since 2009 when the fund came in at -26.4%. The most recent negative return was in 2020 at -2.68%. Last year, the fund’s investment return was 9.51%.

Returns for the Fund’s Asset Classes (as of March 31, 2023)		
	Percent Returned	Percentage of Fund's Total Investments
Domestic Equities	-8.29%	28.28%
Fixed Income	-4.33%	19.99%
Private Equity	-2.87%	14.6%
Non-U.S. Equities	-4.85%	10.63%
Real Estate	5.66%	10.29%
Global Equities	-5.72%	4.58%
Credit	-0.62%	3.74%
Real Assets	14.23%	3.11%
Opportunistic/Absolute Return Strategies	1.54%	2.59%
Multi Asset Strategic Partnerships	-5.52%	1.13%
Cash	2.84%	1.06%

Note: Rate of return is calculated by the fund's custodian bank on a time-weighted basis based on preliminary fund values.

As of March 31, 2023, the Fund had 44.14% of its assets invested in publicly traded equities. The remaining Fund assets are invested in cash, bonds and mortgages (21.53%), private equity (14.61%), real estate and real assets (13.39%) and credit, absolute return strategies and opportunistic alternatives (6.33%).

According to the Comptroller, the Fund is one of the largest public pension funds in the country and holds and invests the assets of the New York State and Local Retirement System on behalf of more than one million state and local government employees and retirees and their beneficiaries. It has consistently been ranked as one of the best managed and best funded plans in the nation.

## *In the News-New York City*



### **Mayor Adams Appoints New NYCHA Leadership**

Following a national search, New York City Mayor Eric Adams yesterday appointed Jamie Rubin as chair of the New York City Housing Authority (NYCHA) board and elevated Lisa Bova-Hiatt to be permanent CEO of the Authority.

Rubin comes to NYCHA with three decades of experience in government, nonprofits, and the private sector, including leading the New York State Governor's Office of Storm Recovery, New York State Homes and Community Renewal, and President Barack Obama's Hurricane Sandy Recovery and Rebuilding Task Force. He will oversee the seven-member board that advises and votes on contracts, rules, regulations, and other administrative matters.

Bova-Hiatt permanently assumes the role of CEO running day-to-day operations after nearly a year in the role on an interim basis and more than 25 years in the public sector, including at the Governor's Office of Storm Recovery and The City University of New York (CUNY).

Rubin and Bova-Hiatt's appointments are the result of an extensive national search conducted by New York City, the U.S. Department of Housing and Urban Development (HUD), and the Office of the U.S. Attorney for the Southern District of New York (SDNY).

Mayor Adams, HUD, and SDNY will continue working together on improving NYCHA and on further reforms under the 2019 federal agreement. The roles of chair and CEO were bifurcated last year in line with the planned restructuring outlined in NYCHA's Transformation Plan — changes that were adopted by the NYCHA board on June 15, 2022.

Mayor Adams also appointed First Deputy Mayor Sheena Wright and experienced financial professional Greg Belinfanti to the NYCHA board and Pamela Campbell to the newly established board of the Public Housing Preservation Trust, filling a role designated for a nominee from a labor union representing NYCHA employees.

These appointments follow [two previous NYCHA board appointments](#) in January 2023 and the [creation of the Trust board](#) with the appointment of six members, including two NYCHA residents.

With her expanded portfolio, Deputy Mayor for Housing, Economic Development, and Workforce Maria Torres-Springer will also join the Trust board as an ex officio member, in line with the state law that outlines the board's makeup. The first board meeting will be held today.

## *Briefs*

### **Civil Service Exam Fees Now Waived Through 2025**

Exam application fees are now waived for all New York State civil service exams through December 2025, according to Governor Kathy Hochul.

While fee waivers previously existed for veterans, as well as individuals that are unemployed or receiving public assistance, the majority of test-takers were required to pay an exam fee.

The removal of exam application fees for state civil service exams is one of several actions taken as part of the FY 2024 Budget to modernize New York's public workforce and streamline government operations. Additional actions include offering civil service exams on an ongoing basis at 12 state-operated testing centers to be established across the state and expanding the state's existing 55-B hiring program to increase job opportunities for individuals with disabilities.

### **Attorney General James Announces Agreement with NYS Association of Black, Puerto Rican, Hispanic, and Asian Legislators to Improve Governance**

New York Attorney General Letitia James this week released an agreement with the New York State Association of Black, Puerto Rican, Hispanic, and Asian Legislators, Inc. (ABPRHAL) to resolve concerns regarding the association's governance and financial reporting.

According to the Attorney General, the ABPRHAL did not have full-time employees or sufficient oversight, causing the association to suffer a breakdown in leadership and repeatedly file inaccurate financial audits and disclosures to the Office of the Attorney General (OAG).

Pursuant to the agreement, ABPRHAL and Chairwoman Latrice Walker agreed to elect new directors to its board, adopt amended bylaws to codify its leadership structure, and formalize its scholarship program. Some of these measures have already been adopted.

"The Association of Black, Puerto Rican, Hispanic, and Asian Legislators provides important services and opportunities to communities of color statewide, but without full-time leadership, the organization struggled to prepare financial filings and properly administer scholarships," said Attorney General James. "All charitable organizations are required to comply with the same laws in our state. Under this agreement and with new bylaws, ABPRHAL will be able to continue its great contributions to New York."

The ABPRHAL was founded in 1985 by members of the New York State Assembly legislative caucus with a mission to promote the social and general welfare of communities of color. Each year, the association sponsors an annual conference and holds a fundraising gala to support its scholarship program.

From Fiscal Year 2015 through Fiscal Year 2017, ABPRHAL did not have any full-time employees, but paid an independent contractor to act as Executive Director. At the time, the Board of Directors did not exercise sufficient supervision of the Executive Director or the association's operations and finances. As a result, the annual financial reports filed with OAG's Charities Bureau were both inaccurate and incomplete.

## **Labor Law Protections Restricting Mandatory Overtime for Nurses Go Into Effect**

A new law to restrict mandatory overtime for nurses is now in effect, according to an announcement by the New York State Department of Labor (NYSDOL).

Under the law, health care employers are prohibited from requiring nurses to work more than their regularly scheduled hours except under limited circumstances, including a health care disaster, a declaration of emergency, or when required for safe patient care such as during an unforeseen emergency or an ongoing medical or surgical procedure.

The law now requires a health care employer to notify NYSDOL when exceptions to limitations on mandatory overtime are in use. Additional reporting is required to NYSDOL and the Department of Health when exceptions are in use for fifteen days or more in a given month, and forty-five days or more in a consecutive three-month period. Additionally, the updated law also establishes new monetary penalties for violations.

It also expands coverage to include nurses employed by facilities licensed or operated by the New York State Office of Children and Family Services.

## **Permits For New York City Film & TV Production Continue To Fall from 2022**

The number of filming permits issued by New York City declined in June from previous months and fell sharply from a year ago, according to *Deadline*. The report cited labor uncertainty including the Writers Guild of America (WGA) strike which began in May and the expiring Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA) contract with the Alliance of Motion Picture and Television Producers (AMPTP).

The TV/Theatrical contracts with the AMPTP expired June 30<sup>th</sup> with both sides agreeing to extend talks through July 12<sup>th</sup>. Directors signed a deal with AMPTP that was ratified by members on June 23<sup>rd</sup>.

In June, 471 permits were issued for 184 projects in June, down from 549 permits for 188 projects in May, according to data provided by the NYC Mayor's Office of Media and Entertainment. In June of 2022 834 permits were issued for 254 projects.

## **Comptroller Lander's Latest COVID-19 Audit Finds Weak Cost Controls Over Testing and Vaccination Sites**

The Department of Health and Mental Hygiene (DOHMH) failed to adequately control staffing levels at COVID testing and vaccination sites run by an outside vendor, resulting in significantly inflated costs, according to a [new audit](#) by Comptroller Brad Lander.

The audit found that DOHMH primarily relied on vendors to set staffing levels at testing and vaccination sites, instead of implementing a comprehensive monitoring plan with clear standards for assessing contractor performance. According to the Comptroller, relying on vendors rather than agency monitoring resulted in inadequate cost controls and inefficient staffing for sites.

The audit's review of over \$200 million in invoices revealed a significant discrepancy in costs. While the average cost per test was \$405, the prices DOHMH paid varied from \$202 to \$937 per test, a wide range depending on the location. Similarly, the average cost per vaccination per site ranged \$169 to \$2,423. Underutilized sites led to huge cost variations and inflated costs when a smaller volume of tests or vaccines were administered.

The Comptroller found that at certain sites, an excessive number of personnel unnecessarily escalated labor costs. Notably, the audit revealed significant findings: at the eight long-term testing sites, staff only administered a single test approximately every 1.61 hours open, and at the 23 long-term vaccination sites, staff administered one vaccination approximately every two hours.

## **New York Increases Shark Monitoring Following Increased Sightings in the Atlantic Ocean and Long Island Sound**

New shark-monitoring drones are being deployed to local beach communities on Long Island and New York City as part of the State Office of Parks, Recreation and Historic Preservation and the Department of Environmental Conservation response to increased shark sightings and interactions over the Fourth of July holiday.

Area police responded to three reports of possible shark bites in separate locations on the Fourth of July off the South Shore of Long Island, a day after two similar incidents were reported, according to published reports

Governor Kathy Hochul said the new drones will be distributed to all downstate municipalities by the Office of Parks and Recreation. In addition, the State is providing funding to cover the cost of training local personnel to operate the drones. As most of those municipalities do not have drone surveillance capability, this investment will assist localities and agencies along the entire Long Island coastline and in New York City enhance their shark monitoring efforts.

## **Biden Administration Advances Gateway Hudson River Tunnel Project**

The Biden Administration yesterday announced it is advancing the Gateway Hudson River Tunnel project to the next phase in the Federal Transit Administration's (FTA) Capital Investment Grants (CIG) program, unlocking up to \$6.88 billion in funding for the project.

The announcement officially begins the Engineering phase of the project and allows the Gateway Development Commission (GDC) to begin early actions like utility relocations, real estate acquisitions, demolition, procurement of specialized equipment and materials, and further design. GDC also may request pre-award authority from FTA to conduct specific construction activities.

President Joe Biden described the project as "a long-overdue investment" to construct a new Hudson River Tunnel between New York and New Jersey and rehabilitate the 110-year old rail tunnel that carries 200,000 passenger trips per day on New Jersey Transit and Amtrak along the Northeast Corridor.

The overall Gateway Hudson River Tunnel project is a \$17.18 billion investment that will improve resilience, reliability, and redundancy for New Jersey Transit (NJ Transit) and the National Railroad Passenger Corporation (Amtrak) train service between New York and New Jersey. The project will reduce commute times for NJ Transit riders, enhance Amtrak reliability on the Northeast Corridor (NEC), and support the northeast regional economy. Amtrak expects the Hudson River Tunnel project will result in 72,000 direct and indirect jobs during construction with union partnerships for job training.

## ***Coming Up***

### ***New York State***

***Monday, July 10<sup>th</sup>***

#### ***Utility Rate Structure***

Joint – Assembly Standing Committee on Energy & Corporations, Authorities and Commissions  
Roosevelt Hearing Room C, Legislative Office Building, 2nd Floor, Albany, 10 a.m.

### ***New York City***

***Monday, July 10<sup>th</sup>***

***Subcommittee on Zoning and Franchises***, Committee Room - City Hall, 11 a.m.

***Committee on Land Use***, Committee Room - City Hall – VOTE, 12 p.m.

***Wednesday, July 12<sup>th</sup>***

***Joint - Committee on Health, Oversight and Investigations & Environmental Protection, Resiliency and Waterfronts***, Council Chambers - City Hall, 10 a.m.

***Oversight - The Administration's Response to Summer 2023 Air Quality Emergencies.***

**Thursday, July 13<sup>th</sup>**

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

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