



This Week in New York

Covering New York State and City Government

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"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

Governor Hochul Calls on Biden for Asylum-Seeker Work Authorization

On Thursday, August 24, Governor Kathy Hochul directly addressed New Yorkers to reiterate her stance on the ongoing migrant crisis, urging federal intervention and work authorization for asylum-seekers. In the 10-minute address and in a coinciding letter, Governor Hochul repeatedly urged President Biden to provide work authorization for the significant asylum-seeker population in the State.

Hochul's speech was notably direct, emphasizing the urgency of federal action to address the escalating migrant crisis. While her plea mirrored past calls to the Biden administration, the timing was may have been strategic, coinciding with the release of unfavorable polling data. According to a recent Siena College poll, a whopping 82% of New Yorkers view the migrant influx as a pressing issue. This rare virtual address comes on the heels of this discovery and Hochul's declining job approval ratings.

The Governor also underscored her stance that the State cannot and will not force municipalities outside of New York City to shelter migrants while also thanking the relatively small number of counties that have welcomed and supported asylum-seekers, despite opposition from some local officials and community members.

Despite Hochul's call for federal assistance resonating with the City, some criticisms have emerged from the Adams administration. Mayor Adams applauded the plea for immediate federal action but criticized the perceived lack of concurrent State efforts, stating that the State was appearing to minimize its role in the potential solution of the ongoing crisis - echoing disputes about where governmental accountability lies on the issue.

As Hochul ultimately laid blame for the migrant crisis on Texas Governor Greg Abbott, she emphasized the federal nature of the issue. Hochul detailed the resources that the State has already invested to support migrants in New York City, touting the State's expenditure of \$1.5 billion and the deployment of the National Guard to help handle the crisis, underlining the absence of substantial federal backing thus far. While she did not announce any new State action on the matter, Governor Hochul stated that she is working with the State Department of Labor for a new program that will connect migrants with job as soon as they are able to receive worker authorization from the federal government.

While State legislative leaders expressed vocal support for the Governor following the address, it is clear that the response to the migrant crisis remains a dynamic and evolving narrative. While the political imperative to address this issue is clear, the full coordination of the federal, state, and city governments remains to be seen.



New York State Department of Labor Still Needs to Recover \$79 Million in Back Wages



A joint investigation by ProPublica and Documented reveals that the New York State Department of Labor is struggling to recover wages that were stolen from workers. Over a five-year period from 2017 to 2021, the agency found that around \$126 million in wages had been unlawfully withheld from workers, but as of February 2023, it had only managed to recover about \$47 million of that sum, leaving approximately \$79 million still outstanding.

The investigation highlights widespread issues in the Department of Labor's ability to enforce wage theft regulations, leading to a lengthy and ineffective process that leaves workers struggling without their rightful earnings. Many workers have their wage theft claims substantiated by the Department of Labor yet have not received any of the awarded back wages due to the agency's limitations in enforcement.

Numerous factors contribute to the problem, including chronic understaffing, lack of a dedicated collections unit, and bureaucratic obstacles. The enforcement unit, responsible for investigating wage theft claims, has faced a significant reduction in staff while the number of open cases has increased, leading to long delays in processing claims. The lack of a proper collections unit to recover back wages further hampers the agency's efforts.

Additionally, the process of enforcing wage theft claims involves multiple layers of approvals, resulting in slow resolution times. Even when the agency orders an employer to comply with wage restitution, the orders can be appealed, and the subsequent adjudication process can be protracted, with employers often ignoring orders without facing consequences.

The investigation points out that New York lags behind other states in implementing effective enforcement mechanisms. Some states, like Maryland and Wisconsin, allow workers to place liens on employers' personal property to secure payment of back wages. In California, businesses appealing wage theft findings are required to post a surety bond, which they forfeit if they fail to pay back wages after losing on appeal.

Advocates and labor lawyers stress that New York needs to adopt more effective strategies to tackle wage theft, as the current system leaves workers waiting for years for their rightful earnings. While the Department of Labor has made some improvements, experts believe that more substantial changes are necessary to protect workers and deter unscrupulous employers from engaging in wage theft practices.

In the News-New York City

New York City Legal Cannabis Market Poised for a Boom



New York City's long anticipated legal marijuana market holds the promise of substantial sales and tax revenue, with estimates projecting a potential \$1.2 billion in sales and \$47 million in tax income for the city. However, a recent analysis indicates that this economic boon might not materialize until after 2030 due to the sluggish pace of opening legal pot stores. Challenges in the rollout process, including illicit sales, licensing issues, and lawsuits, have hindered the market's growth, leading to uncertain timelines for full maturation.

In a report released on Thursday, August 25, The Independent Budget Office (IBO) revealed that despite the high expectations, the rollout of the legal cannabis market has faced multiple obstacles. Chief among those is the slow emergence of licensed cannabis retail stores—only 23 have opened statewide, with 9 in New York City. This has been influenced by various factors, including legal battles and difficulties in dispensary siting and funding. Notably, a court injunction halted licensing following allegations that the Office of Cannabis Management prioritized convicted dealers over social equity applicants such as disabled veterans.

The city collects a 4% cannabis excise tax on each sale, while the state imposes a 9% excise tax along with a potency tax on cannabis distribution. Revenue estimates are contingent on the number of licensed cannabis stores that open annually and the persisting impact of the illicit market. The IBO predicts that, by 2027, the city will collect \$38 million in cannabis tax revenue based on \$950 million in sales. However, this figure is contingent on an average of 24 dispensaries opening each year, generating approximately \$8.1 million in annual sales per store. If the current sluggish pace of dispensary openings persists, however, the city might not reach \$950 million in annual sales until post-2030.

Despite efforts to regulate the cannabis market, the city sheriff's office reports an expansive illicit weed market, with approximately 1,500 unlicensed pot smoke shops operating in the city. This unregulated sector poses a significant tax revenue loss, as untaxed cannabis products are estimated to be

worth as much as \$484 million collectively. New legislation and enforcement efforts have been enacted to curb these illegal operations, but the full impact remains to be seen.

To project sales and revenue, the IBO analyzed legal marijuana markets in other states like California, Colorado, Massachusetts, Oregon, and Washington. These states have provided insights into the potential trajectory of New York City's market. However, the analysis acknowledges that New York State's distinctive retail license requirements have led to a slower rollout, further complicating revenue projections.

While the prospect of a thriving legal cannabis market offers substantial economic benefits for New York City, challenges such as the sluggish rollout and the persistence of the illicit market have hindered its realization. The revenue potential of legal marijuana sales and taxation is significant, but uncertainties surrounding timelines and regulatory hurdles underscore the complexity of this emerging industry. As the city navigates these challenges, it remains to be seen when the high times of the legal cannabis market will fully blossom.

Timeframe for Market Growth to Reach \$950 Million in Taxable Sales Will Depend on Number of New Dispensaries and Sales at Each Dispensary

Market Growth Scenario



SOURCES: IBO analysis of data from New York State Cannabis Control Board & New York City Department of Finance

New York City Independent Budget Office

Briefs

New York State Fair Butter Sculpture Revealed

On Tuesday, August 22, the Great New State Fair unveiled its 55th annual Butter Sculpture at the Dairy Products Building in Syracuse. The 800-pound sculpture was once again designed and assembled by Jim Victor and Marie Pelton of Pennsylvania. In conjunction with this year's theme "Dairy Day Every Day a Healthy Way – Keeping Kids' Health on Track", the sculpture depicts a train with a cow for a conductor and passengers that are chowing down on dairy food products.

The New York State Fair runs from Wednesday, August 23 through to Labor Day, September 4 at the fairgrounds in Syracuse on 581 State Fair Blvd. Tickets to the fair costs \$6 (with free admission for people 65 and over or children 12 and under) and parking costs \$10.



Mayor Adams Tours Israel

On Monday, August 21, Mayor Eric Adams embarked on a three-day trip to Israel. Following a trip to New York City by Israeli President Issac Herzog last month, Adams met with leaders and officials in both Jerusalem and Tel Aviv, with a focus on learning about Israeli technology and figuring out ways to bolster the fight against antisemitism.

As part of his visit, Adams visited Israel's National Police Academy and expressed interest in adopting Israeli drone technology for the NYPD. Adams was particularly interested in the potential of Israeli drones, which can remain airborne for long periods, to aid in early crime detection. He also proposed the concept of pairing advanced drones with NYPD officers on motorcycles to improve emergency response times and avoid traffic congestion.

Adams also used his voyage as an opportunity to reiterate his stance on granting work authorization to new immigrants – praising the Israeli governments response to an influx of refugees in Ethiopia, while noting how impressed he was at their ability to incorporate themselves in Israeli society. The mayor's comments underscore his continued calls for the Biden administration to expedite work permits for the thousands of migrants currently under New York City's care.

Home Health Aids Sue Department of Labor Over Dropped Wage Theft Investigation

A group of New York City home health aides are taking legal action against the state Department of Labor (DOL), demanding a resumption of an investigation into their claims of underpayment during 24-hour shifts. Around 120 home health aides initially made wage theft allegations, which were being examined by the DOL. However, a separate arbitration decision in 2022 favored the workers' unions (including 1199 SEIU), awarding \$30 million to a "special wage fund" to cover rest and mealtime payments owed to unionized home health aides from various agencies.

Displeased with the arbitration outcome and the amount awarded to the fund, which arbitrator Martin Scheinman noted was the maximum amount that could be imposed without disruption to vital

services, some workers anticipated that the DOL would continue its independent investigation, which began in 2019. The agency instead started sending notices in May 2023 to those who had filed complaints, stating that it was discontinuing its probe. Lawyers for the aides argue that the DOL's closure of cases contradicts its responsibility to enforce labor laws.

The case highlights concerns around mandatory arbitration clauses included in collective bargaining agreements, which have an impact on workers' ability to pursue claims. Attorneys representing the aides emphasize that the 2022 arbitration settlement doesn't prevent the DOL from independently investigating wage theft complaints.

The home health aides argue that their grueling 24-hour shifts have led to both physical and mental health issues, impacting not only their well-being but also the quality of care they can provide to vulnerable patients. The aides' class-action lawsuit, filed this week in Albany's state Supreme Court, aims to address these issues and hold the state accountable for abandoned investigations.

As the legal battle unfolds, questions remain about the balance between arbitration outcomes, workers' rights, and the state's obligations in enforcing labor laws. The case sheds light on the challenges faced by home health aides and underscores the need for clearer mechanisms to address underpayment allegations while ensuring workers' rights are upheld.

AECOM New York Metro to Host Office-to-Residential Symposium

On Thursday, September 14, in collaboration with New York University's Schack Institute of Real Estate, AECOM New York will be hosting an office-to-residential conversion symposium. The half-day symposium, which will be taking place from 8AM to 2PM at AECOM's offices on the second floor of 605 Third Avenue, will feature a keynote address from Department of City Planning Director, Dan Garodnick, who chaired Mayor Adams' Office Adaptive Reuse Task Force.

The symposium will also feature four panels with speakers and experts across several affected sectors that will address multiple facets of the office-to-residential process such as financing and remaining in compliance with local laws. The symposium will then culminate with a networking lunch.

If you are interested in attending, you can find more information on the panels and speakers, as well as a link to RSVP, [here](#).

Astoria Worker Project Launches Gig Workers Survey

In 2021, in collaboration with the Center for New York City Affairs (CNYCA) at The New School, Consortium for Worker Education and partner organizations, The Astoria Project (AWP)* conducted a landmark "Astoria Project" survey, reaching out to families around Astoria to assess the impact of the Covid-19 pandemic on families' livelihoods and mental health. Among the employed who were surveyed, nearly a third made their living as independent contractors or gig workers.

This summer and fall, CNYCA and the AWP are administering their “Astoria Project Gig Workers Survey”, which will poll New Yorkers with experience as gig workers, freelancers, temp workers, or contractors.

There has been a huge expansion in contract, freelance and gig work in recent years, but many for-hire platforms are facing significant scrutiny for a lack of accountability concerning conditions for workers.

The survey aims to better inform mutual aid and public policy to serve the needs of this growing workforce, will assess workers’ experiences as part of the “gig economy,” covering everything from time spent looking for work to the mental health impacts of flexible schedules.

AWP is looking to hear from all manner of gig workers: from rideshare drivers picking up gigs as a second job, to freelance writers/editors with steady clients, or deliveristas working full-time for one app or several.

After responses are collected, five survey respondents will be randomly selected to receive a \$100 Visa gift card as a participation incentive. The survey will also provide the Astoria Worker Project with a roadmap to provide services to gig workers that will be responsive to the needs that workers express in the survey.

If you are a gig worker or know a gig worker in Western Queens that would be interested in sharing their experience, please find the link to the survey [here](#).

*The Astoria Worker Project (AWP) is a new initiative from the Consortium for Worker Education to build a worker center offering worker cooperative, workforce development and workers’ rights, and mental health programming, as well as services to benefit the immigrant communities in Western Queens. In establishing a center for workers, AWP is also offering community-building programs and events to foster solidarity and trust between workers.

Coming Up

New York State
No Scheduled Hearings

New York City
Monday, August 28th

Subcommittee on Zoning and Franchises, 250 Broadway - Committee Room, 14th Floor, 1 p.m.

Committee on Land Use, 250 Broadway - Committee Room, 14th Floor, 3:30 p.m.

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