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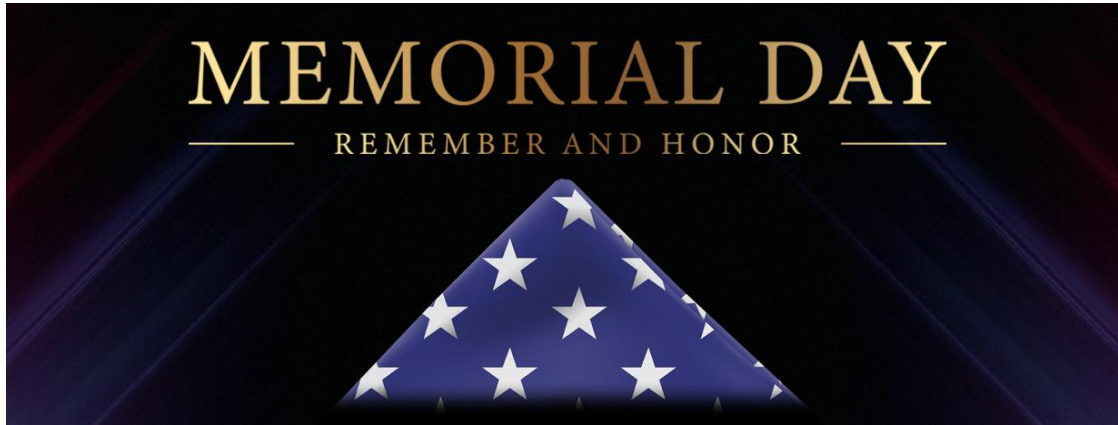
THIS WEEK IN NEW YORK

COVERING NEW YORK & CITY GOVERNMENT

MAY 22, 2026 EDITION



“No Man can be a good citizen unless he has a wage more than sufficient to cover the bare cost of living, and hour of labor short enough so that after his day’s work is done he will have time and energy to bear his share in the management of the community, to help in carrying the general load” Governor Theodore Roosevelt.



In The News-New York State



Three Bills Down, Seven to Go *New York’s FY2027 Budget Begins to Take Shape*

The state Senate and Assembly this week began passing “lite” versions of the Education, Labor and Family Assistance (ELFA) and Public Protection & General Government (PPGG) budget bills, beginning to give substance to the final FY2027 state spending plan. Both bills were filled with sections “intentionally omitted,” leaving questions as to whether those sections were truly omitted or will come up somewhere in the remaining 7 budget bills. The State’s Debt Service bill was passed prior to the April 1st fiscal year start.

Assembly Ways and Means Chair J. Gary Pretlow maintained his budget baseball analogy, describing the budget action as, “We’re in a nine-inning game, and we are in the first inning.”

The updated ELFA language (S9006C/A10006C), introduced Wednesday, provides that all school districts will receive at least a 2% increase in Foundation Aid, above the minimum 1% increase, with weighting for English language learners and students experiencing homelessness.

The bill also included provisions to extend mayoral control of New York City schools for another two years, as well as a five-year delay to a mandate for schools to roll out zero-emission buses.

Under current law, districts would be expected to begin purchasing electric buses next year and aim for full fleet conversion by 2035. That deadline will become 2040. In addition, districts can now install renewable energy projects, such as solar and geothermal, using state building aid.

New York lawmakers approved the PPGG bill (S9005C/A10005C) on Thursday. The budget bill deals with law enforcement and public safety, restricting local police cooperation with federal immigration agents.

Specifically, the bill includes Governor Kathy Hochul's Local Cops, Local Crimes Act banning 287(g) agreements. Under the PPGG, local facilities will have three months to cancel their current contracts with ICE. It also enacts the Sensitive Location Protection Act, identifying locations including hospitals, childcare centers, schools, churches, and polling places that can deny access to immigration authorities. Agents cannot enter non-public areas in these locations without a federal warrant.

The budget bill also bans law enforcement officers from covering their faces and requires authorities to clearly display their name, badge number, and agency logo. The rule applies to federal, state, and local agents, but includes exceptions for medical masks, hazardous environments, water rescues, or active undercover operations.

The legislation includes the New York State Bivens Act, allowing New Yorkers to sue any officer or agent in state court over federal rights violations and establishes an Office of Immigrant Trust under the New York State Attorney General's authority. They would investigate complaints of state or local employees diverting state government resources for federal immigration enforcement and take legal action against any such government employee.

"This was important to do," Governor Kathy Hochul said of the reforms included in the PPGG bill. "It will make New York a leader in addressing ICE overreach while also ensuring that there is no sanctuary for criminals in this state. The process is this: I've named it 'Local Cops, Local Crimes' because I want our local police focused on solving and preventing local crimes... That said, I held back enormous pressure to also forbid local police from working in a criminal setting. But if there is a crime that has been committed, a court order, a warrant for someone's arrest, evidence of a crime, I want our local police making sure we're protecting members of the immigrant community and our community as well."

The PPGG bill also included automobile insurance reforms including provisions prohibiting insurance companies from increasing nonbusiness car insurance policy rates without prior approval and using employment, education, homeownership or zip code for setting car insurance rates. Additionally, New Yorkers who involve another person in staging a car crash "shall be deemed to have wrongfully taken, obtained or withheld the full amount of loss to the victim or victims of the fraudulent insurance act."

The remaining budget bills will be taken upon next week and include:

- ❖ State Operations Budget Bill
- ❖ Legislature and Judiciary Budget Bill
- ❖ Aid to Localities Budget Bill
- ❖ Capital Projects Budget Bill
- ❖ Health and Mental Hygiene
- ❖ Transportation, Economic Development and Environmental Conservation
- ❖ Revenue



Attorney General James Sues to Stop Student Loan Cuts for Future Health Care Workers

New Federal Rule Would Harm Students Working to Become Nurses, Physical Therapists, Physician Assistants, and Other Health Care Professionals

New York Attorney General Letitia James this week co-led a coalition of 24 other states and the District of Columbia in suing the Trump administration to stop restrictions on federal student loans for students pursuing careers in health care fields.

In May, the U.S. Department of Education issued a rule limiting which degree programs qualify for higher federal student loan limits. The rule makes it difficult for students pursuing careers in nursing, social work, physical therapy, occupational therapy, physician assistant studies, and other essential fields to afford the necessary education and clinical training.

Attorney General James and the coalition argue that these restrictions will worsen the existing health care workforce shortage and make it harder for communities in New York and nationwide to access care. The coalition is asking the court to block the rule and restore access to the federal student loans these students are entitled to receive.

Last year, Congress enacted new federal student loan caps that distinguish between “graduate” and “professional” degree programs. The law set higher federal loan limits for students enrolled in professional degree programs. Loans were capped at \$100,000 total for graduate programs and \$200,000 for professional degree programs. Congress used the existing federal definition of a “professional degree,” which includes programs that prepare students to begin practice in a profession and generally require professional licensure.

In May 2026, however, the Trump administration issued a final rule narrowing that definition, omitting many health care and other professional degree programs unable to qualify for the higher loan limits. As a result, students pursuing degrees in nursing, physical therapy, occupational therapy, physician assistant studies, social work, speech-language pathology, audiology, athletic training, and other fields will only be able to access \$20,500 per year in federal student loans.

Attorney General James and the coalition argue that the rule will force many students to rely on more expensive private loans, take on unsustainable debt, delay completing their education, or abandon these programs altogether. The coalition warns that the rule will reduce the number of graduates entering critical health care fields, worsen workforce shortages, and make it harder for patients access care. Public colleges and universities also stand to lose critical tuition revenue.

The attorneys general are also challenging the Department of Education’s unlawful restrictions on students who Congress intended to protect from the new loan limits. Although Congress grandfathered in many students already enrolled in programs before the changes take effect, the administration’s rule strips those protections from students who transfer schools or temporarily withdraw and later re-enroll, even if they continue pursuing the same course of study. Attorney General James and the coalition argue that these additional restrictions are unsupported by law and will cause serious financial disruption for students and schools.

Attorney General James and the coalition argue that the rule violates the Administrative Procedure Act because it directly contradicts federal law and is arbitrary and capricious. They are asking the court to block the rule and ensure the loans are made available as Congress intended.



Governor Hochul Announces Membership of FutureWorks Commission

Governor Kathy Hochul announced the composition of FutureWorks, a commission charged with developing recommendations on ways New York can protect the economic security of workers while harnessing the economic benefits of Artificial Intelligence. The Commission will deliver its recommendations to help navigate the AI transition by the end of the year.

The Commission membership includes:

- ❖ **Tom Perez (Chair)**, a Partner at the global law firm of Mayer Brown.
- ❖ **Thasunda Brown Duckett (Chair)**, President and CEO of TIAA.
- ❖ **Molly Kinder (Chair)**, Senior Fellow at the Brookings Institution.
- ❖ **Zoë Baird**, served over twenty years as CEO and President of the Markle Foundation.
- ❖ **Jonathan Bowles**, Executive Director of the Center for an Urban Future (CUF).
- ❖ **Mario Cilento**, President of the New York State AFL-CIO.
- ❖ **Alexander Colvin**, former Dean and Professor of Conflict Resolution of the New York State School of Industrial and Labor Relations at Cornell University.
- ❖ **David Greenfield**, CEO of Met Council.
- ❖ **John B. King Jr.**, Chancellor of State University of New York (SUNY).
- ❖ **Hope Knight**, President, CEO and Commissioner of Empire State Development.
- ❖ **Arvind Krishna**, Chairman, President and CEO of IBM.
- ❖ **Annmarie Lanese**, Founder and CEO of Can Code Communities.
- ❖ **Terah Lyons**, Global Head of AI and Data Policy at JP Morgan Chase.
- ❖ **Marc H. Morial**, President and CEO of the National Urban League.
- ❖ **Thomas J. Quatroche Jr.**, PhD, CEO of Erie County Medical Center Corporation (ECMC).
- ❖ **Roberta Reardon**, New York State Labor Commissioner.
- ❖ **Julie Samuels**, President and CEO of Tech:NYC.
- ❖ **Matt Sigelman**, President of the Burning Glass Institute.
- ❖ **Hamdi Ulukaya**, founder and CEO of Chobani.
- ❖ **Robin Vince**, Chief Executive Officer of BNY.

In The News-New York City



Comptroller Levine Issues Report on AI's Potential Impact on the New York City Economy and Finances

New York City Comptroller Mark Levine this week asserted that the risk posed by AI in the next few years requires the City to bring the Revenue Stabilization Fund (the “rainy day fund”) to 16% of tax revenues in a [report](#) that examines the possible impacts artificial intelligence (AI) could have on New York City’s economy.

Currently the rainy day fund and the Retiree Health Benefit Trust hold 8.5% of projected Fiscal Year 2026 tax revenues.

“There is no city in America more exposed to both the promise and peril of artificial intelligence than New York City. AI is already having an impact on our economy and we cannot afford to sleepwalk into this new age,” said Comptroller Levine. “The enormous uncertainty that AI presents to our local economy is no excuse to not prepare. My commitment as comptroller is to help New York City understand and shape the most dramatic technological revolution in our lifetimes.”

The report maps a range of scenarios that illustrate the economically transformative potential of AI’s adoption. The scenarios are based on Moody’s Analytics reports and on original work and are:

1. **AI-Empowered Economy (35 percent)** - AI boosts productivity with limited economic disruption.
2. **AI Falls Flat (25 percent)** - AI investment boom fizzles and markets retreat.
3. **Job Replacement (20 percent)** - Rapid productivity advances cause a widespread replacement of jobs, and an increase in unemployment.
4. **Productivity Boon (15 percent)** - AI drives faster growth, wages, and prosperity.
5. **AI Shockwave (5 percent)** - Labor markets fail to absorb AI-induced displacement smoothly, with job losses concentrated among white-collar jobs.

According to Comptroller Levine, scenarios 2, 3, and 5 involve negative outcomes for employment, economic growth, or tax revenue, and collectively account for 50 percent of our forecasted probability. In those cases, the City’s first obligation would be to maintain vital services despite significant budget strain.

Comptroller Levine asserts that a “well-prepared” City would be able to draw on robust reserves if the more damaging AI scenarios come to pass. Unfortunately, he said, the City’s reserves—and especially its rainy day fund—are nowhere near adequate for that purpose.

At the end of FY 2026, the Revenue Stabilization Fund and the Retiree Health Benefit Trust are expected to hold a combined balance of \$7.2 billion, or 8.5 percent of budgeted tax revenues.

The Comptroller said the City’s broader fiscal cushion has been falling in absolute terms and as a percentage of operating revenues since the start of FY 2023 and is projected to shrink further in FY 2027. As measured by S&P Ratings, in FY 2025 the City had the lowest percentage of available reserves (relative to the size of its budget) among the 10 most populous cities, ahead only of Chicago.



Hotel and Gaming Trades Council & Hotel Association of NYC 2026-2034 Industry-Wide Agreement Approved by Membership



Nation Leading Contract Continues Industry History of Providing the Best Wages & Benefits in the Country

The membership of the Hotel and Gaming Trades Council, AFL-CIO (HTC) last night ratified a “nation-leading” eight-year contract providing the wage increases that workers deserve, while preserving and improving benefits long term, establishing employer-funded housing and childcare funds, and guaranteeing labor peace until 2034.

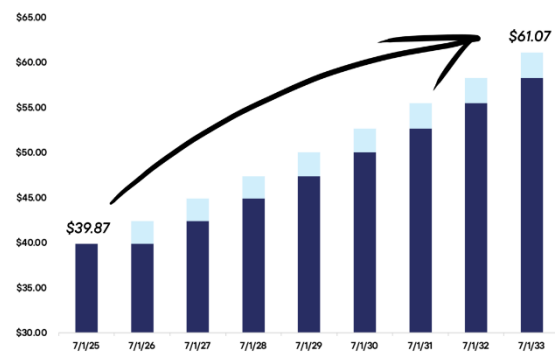
Earlier this week, HTC and the Hotel Association of NYC reached the Industry Wide Agreement to cover more than 27,000 workers employed at over 200 hotels for the next 8 years.

“...This new contract will help preserve New York City's status as a world class destination for tourists, supporting a tourism economy that employs hundreds of thousands of New Yorkers,” according to a statement released by Rich Maroko, President of HTC and Vijay Dandapani, President and CEO of HANYC at the time of the agreement.

The contract includes:

- Nation-leading pay for hotel workers. Wages for non-tipped workers will increase by \$21.20 over the life of the contract, which averages to over 5% each year.
- The continuation of completely free healthcare for members and their families for the life of the contract, with employer contributions increasing.
- A 0.5% increase in employer contributions to the Pension Fund this January, amounting to nearly \$11 million that year.
- Establishment of Housing and Childcare Funds funded by employers.
- Additional paid time off, fully paid family leave for new parents, and paid time off to vote in local, state, and federal elections. Under the new agreement, paid bereavement leave will increase from 3 to 5 paid days. The new contract expands the definition of “immediate family” and eliminates the current limitation that employees can only take paid bereavement leave once per year.
- Protections against inflation: In the event that inflation and the cost of living were to rise significantly faster than the increases negotiated in the new agreement, the new contract allows the union to request a joint study committee every 2 years to review the impact instead of only once at the very end of the contract.

Non-tipped Worker Wages



- Protections against new technology: The new contract improves language that protects jobs when the employer wants to introduce new technology or AI. Under the previous IWA employers had the right to unilaterally implement new technology. That right has been eliminated, and employers are now required to give 120 days notice and bargain with the union before any change can be implemented.
- Immigrants' rights: Goes beyond existing protections by requiring that during any hotel sale or change in control, the seller has to provide the new owner or operator with employee immigration documents

“Congratulations to the members of the New York Hotel and Gaming Trades Council and to the hotel industry for reaching an agreement on a new contract for workers. After years of fighting for our city’s hotel workers, I know they’re some of the hardest-working individuals in New York, and they’re truly on the front lines of ensuring we remain a top tourist destination,” City Council Speaker Julie Menin said. “From well-deserved wage increases to a strengthened benefits package — including a first-of-its-kind childcare and housing fund — what the union has achieved in this contract ensures their members’ ongoing stability and future. I also want to thank the hotel industry for their leadership and the important role they play in New York’s economic vitality.”

Briefs

Comptroller DiNapoli: State Pension Fund Posts 11.94% Annual Return, Closes at Record High of \$295.4 Billion

New York State Comptroller Thomas P. DiNapoli this week announced that the New York State Common Retirement Fund (Fund) delivered a strong estimated investment return of 11.94% for the state fiscal year ending March 31, 2026, closing at a record-high estimated value of \$295.4 billion — the highest fiscal year-end value in the Fund’s history.

The Fund’s long-term expected rate of return is 5.9%, the second lowest among major public pension funds in the country. According to the Comptroller, New York has steadily lowered the assumed rate of return under his direction from 8% to a “more prudent and sustainable level.” The Fund has achieved a three-year annualized return of 9.74%, five-year annualized return of 6.77% and a 10-year annualized return of 8.94%.

The Fund's value reflects retirement and death benefits of \$16.8 billion paid out during the fiscal year. As of March 31, 2026, the Fund had 39.4% of its assets invested in publicly traded equities. The remaining Fund assets by allocation are invested in cash, bonds, and mortgages (22.9%), private equity (14.3%), real estate and real assets (14.3%), and credit, absolute return strategies, and opportunistic alternatives (9.1%).

Mayor Mamdani Announces the Peninsula in the Bronx as the Second Site for City's Public Grocery Stores

Mayor Zohran Kwame Mamdani and the New York City Economic Development Corporation (NYCEDC) this week announced [The Peninsula](#) in the Bronx has been selected as the second site for the City's municipal grocery store program. The 20,000-square-foot store in Hunts Point is expected to open in 2027.

Last month, the administration announced La Marqueta in East Harlem as the first site selected for the municipal grocery store program. The Mamdani administration plans to open one store in each borough by the end of the Mayor's first term.

Mayor Mamdani and NYCEDC also announced the launch of the N.Y.C. Groceries Sites [Portal](#) to identify potential locations for future stores in Brooklyn, Queens, and Staten Island. Property owners with eligible sites are encouraged to submit them through the portal for consideration.

Sites submitted through the N.Y.C. Groceries Portal will be reviewed by NYCEDC to identify and advance potential locations for further consideration. Eligible sites must include at least 10,000 square feet of retail space and be available on a timeline that supports opening of a grocery store by 2029. The N.Y.C. Groceries Sites Portal will remain open until locations in Brooklyn, Queens and Staten Island have been identified.

NYCEDC is also preparing a request for proposals for private operators to manage the stores, which is expected to be released this summer.

Governor Hochul and Mayor Mamdani Extend Nearly 100,000 3-K, Pre-K Offers; Cut Average Travel Distance for 3-K Families by Six Blocks

Governor Kathy Hochul and Mayor Zohran Kwame Mamdani announced that New York City has extended 99,921 offers for 3-K and Pre-K for the upcoming school year, with more families receiving offers to one of their top choice programs and average travel distances decreasing across the city.

This includes 2,000 additional 3-K seats for New York City families to have childcare closer to home, made possible by the state's direct investment in 3-K.

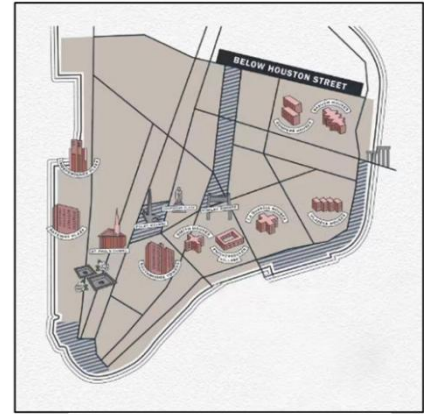
In the FY2027 State Budget, Governor Hochul is increasing investment by \$1.7 billion bringing the total child care and pre-kindergarten investment to \$4.5 billion.

This year's budget will make investments that will support the delivery of affordable childcare to up to 100,000 additional children. The Governor's landmark investment will increase funding by \$1.7 billion bringing the total FY27 investment to \$4.5 billion for child care and pre-kindergarten services statewide.

9/11 Solidarity Network Helps Claimants Obtain Vital Documentation for 9/11 Compensation Fund Claims

It is becoming increasingly difficult for some claimants to find documents to prove their presence at an eligible location so many years after the attacks.

In fact, last year, the New York City Police Department (NYPD) went to the State Legislature for assistance in verifying its members' 9/11 service. On September 10th, Governor Kathy Hochul signed chapter 390 of the Laws of 2025 which establishes a presumption that a New York City Police Pension Fund member participated in the rescue, recovery, and clean-up operations at the World Trade Center, unless their employer proves the contrary by competent evidence.



9/11 Exposure Zone

The 9/11 Victim Compensation Fund (VCF) understands this challenge and encourages individuals who were present in the exposure zone to gather and save their proof of presence documents now, even if they aren't currently ill or planning to file a claim.

To help members of the general public verify their 9/11 service, Pitta Bishop & Del Giorno LLC's affiliate Pitta & Baione LLP is developing the 9/11 Solidarity Network, a system where members can act as witnesses for one another in verifying 9/11 service. The network utilizes sworn Witness Presence Statements from people who can attest to a claimant's presence which are accepted as secondary evidence by the VCF when primary documentation is unavailable.

By participating, individuals can provide the crucial testimony a fellow member might need while also securing potential support for their own future claims. This initiative formalizes the collective memory of its members to help ensure no one is left to prove their presence alone.

For more information regarding the 9/11 Solidarity Network, please contact Pitta & Baione at 844-901-1262.

Coming Up

New York State

Tuesday, May 26th

New York State Senate Session, Senate Chamber, Albany, 10 a.m.

New York State Assembly Session, Assembly Chamber, Albany, TBD

Wednesday, May 27th

New York State Senate Session, Senate Chamber, Albany, 3 p.m.

New York State Assembly Session, Assembly Chamber, Albany, TBD

Thursday, May 28th

New York State Senate Session, Senate Chamber, Albany, 3 p.m.

New York State Assembly Session, Assembly Chamber, Albany, TBD

Friday, May 29th

New York State Senate Session, Senate Chamber, Albany, 11 a.m.

New York State Assembly Session, Assembly Chamber, Albany, TBD

New York City

Tuesday, May 26th

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

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

Committee on Cultural Affairs, Libraries and International Relations, Council Chambers – City Hall, 12 p.m.

Wednesday, May 27th

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

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

Subcommittee on Zoning and Franchises, 250 Broadway – 8th Floor – Hearing Room 3, 11 a.m.

Committee on Parks and Recreation, Council Chambers – City Hall, 12 p.m.

Thursday, May 28th

Committee on Children and Youth, Council Chambers – City Hall, 10 a.m.

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

Committee on Immigration, Council Chambers – City Hall, 2 p.m.

Friday, May 29th

Committee on Transportation and Infrastructure, Council Chambers – City Hall, 10 a.m.

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

Committee on Consumer and Worker Protection, Council Chambers – City Hall, 12 p.m.

Committee on Economic Development, Council Chambers – City Hall, 2 p.m.

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