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COVERING NEW YORK & CITY GOVERNMENT

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HAPPY
Valentine's Day

"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 Announces Approval of Plan to Audit Utility Company Salaries

Governor Kathy Hochul this week announced that the New York State Public Service Commission (PSC) has initiated a comprehensive review of utility management compensation following her [direction](#) for the Department of Public Service (DPS) to move forward with the audit.

This audit follows years of work by DPS to examine utility management structures and seeks to align utility priorities with State objectives, including affordability, reliability, safety, and a cleaner environment. It is part of Governor Hochul's effort to combat rising utility costs, and it builds upon her direction for DPS to reject Con Edison's rate proposal and her demand that the New York Power Authority suspend its proposed rate increase.

“This audit will ensure that utility compensation structures are working for New Yorkers, not rewarding expected behavior,” Governor Hochul said. “We will hold utilities accountable and ensure their focus is where it should be: delivering reliable, affordable, and high-quality service.”

The audit will examine compensation practices at 13 major utilities, including Con Edison, National Grid, Central Hudson, NYSEG, RG&E, and Veolia Water New York. Investor-owned electric and gas utilities have a total of 12.4 million customers in New York State. Findings from the audit will influence future rate cases, providing the PSC with insights into best practices and potential cost-saving measures.

The audit will focus on compensation for non-union utility management employees statewide and the results will inform future rate cases to protect New Yorkers from unfair rate hikes. Numerous recent management and operations audits of large, investor-owned electric and gas utilities have highlighted meaningful concerns with how utilities administer their programs.

In a recent audit of Central Hudson, the auditor concluded their bonus structure rewarded financial performance, but only set reliability and service quality metrics at the bare minimum. In the case of NYSEG and RG&E, auditors had to recommend that the companies set performance standards that encourage service improvements. And in other recent audits, including of Con Edison, O&R, and National Grid, auditors found that companies should update their compensation structures to focus on ratepayer-centric goals.



Comptroller DiNapoli Releases Executive Budget Report

State's Outyear Budget Gaps Grow to \$27.3B Through State Fiscal Year 2028-29

Federal Actions Could Lead to Cuts in Key Programs

In his annual [report](#) assessing the proposed Executive Budget, State Comptroller Thomas DiNapoli identified risks and concerns that underscore the importance of taking action to address the trajectory of state spending and improve the state's structural imbalance.

According to the Comptroller, Cumulative outyear budget gaps projected by the Division of Budget (DOB) have increased to a total of \$27.3 billion through State Fiscal Year (SFY) 2028-29 and state spending is projected to rise at a rate that outpaces revenues.

“Uncertainty over federal funding and the ending of federal pandemic aid creates an urgent need to strengthen the state's fiscal position,” Comptroller DiNapoli said.

DOB projects All Funds spending in SFY 2025-26 to total \$252 billion, an increase of \$8.6 billion, or 3.6%, compared to updated projections for SFY 2024-25. State Operating Funds (SOF) spending is expected to grow by \$10.5 billion, or 7.9%. General Fund (including transfers to other funds) spending is expected to grow by \$7.9 billion, or 7.3%.

General Fund surpluses are anticipated currently for SFY 2024-25 and SFY 2025-26. Budget gaps totaling \$27.3 billion start FY 2026-27 through SFY 2028-29. Over the Financial Plan period, General Fund disbursements are projected to grow by 24.9%, over four times as fast as receipts, which are projected to grow 5.3% – twice as much as average annual inflation projected for the period.

Comptroller DiNapoli noted that the state has struggled to contain Medicaid costs and asserted that a significant change in federal policy or an economic shock might result in having to make decisions quickly relating to healthcare funding. He advocated for making prudent financial decisions now and putting Medicaid spending growth on a more sustainable path as it is in the best interests of all New Yorkers.

According to the Comptroller, federal funding is the state's largest source of revenue. In total, DOB is projecting \$93.1 billion in federal receipts for SFY 2025-26. Of this, Medicaid is projected to account for \$57.6 billion (61.9%). An additional \$13.2 billion is projected for costs related to the Essential Plan (EP), which is a federally subsidized health insurance program authorized under the Affordable Care Act. In total, approximately \$70.9 billion (76.1%) of the projected federal receipts are for the provision of healthcare to approximately 8.5 million New Yorkers.

Federal Funds Disbursements, SFY 2024-25 – SFY 2028-29 (in millions of dollars)

	2024-25	2025-26	2026-27	2027-28	2028-29
Disbursements	87,213	89,482	91,243	90,177	91,928
Medicaid	56,059	57,618	58,427	56,924	58,133
Health	15,859	16,341	17,109	17,736	18,260
Social Welfare	5,436	5,277	5,400	5,148	5,148
Education	4,458	4,387	4,387	4,387	4,387
Transportation	2,372	2,839	2,912	2,924	2,961
Public Protection	1,326	1,337	1,303	1,301	1,302
All Other	1,703	1,683	1,705	1,757	1,737

Note: Does not include amounts for federal pandemic assistance.
Source: Division of the Budget

Comptroller DiNapoli noted that the Executive Budget does not include any contingency measures for any potentially adverse federal action. In the event of federal cuts, the Comptroller said the state may choose to cut programs or services or to increase state-sourced funding to maintain services, but, it does not have the taxing capacity to replace federal spending in total, especially in health and social services.

In The News-New York City



NYC Council Votes to Improve DOC's Responses to Incidents of Sexual Violence in City Jails

The New York City Council yesterday approved legislation to improve the Department of Correction's responses to incidents of sexual violence, including its reporting and tracking of incidents of sexual violence and harassment to protect staff and those in custody within city jails.

“For too long, the culture of sexual violence and harassment in the city’s jails has harmed officers and those who are detained alike, undermining public safety,” said Speaker Adrienne Adams. “Our city must reform its responses to these unacceptable incidents more seriously. Improving transparency when sexual violence occurs, ensuring access to mental health resources, and shifting to modernized systems to better track investigations of allegations are important steps forward. These bills are long overdue, but they are critical in our efforts to better protect staff and those in custody in city jails.

Sponsored by Council Member Althea Stevens, [Introduction 735-B](#), would require the Department of Correction (DOC) to report annually on alleged incidents of sexual violence and harassment of DOC and Correctional Health Services (CHS) staff by incarcerated individuals or other staff that occurred in the previous year. The DOC Commissioner would also be required to report annually on DOC’s investigations of these incidents. Additionally, the Commissioner would be required to ensure staff have access to mental health treatment resources, and to publicize available resources.

“This bill is not just about reports and statistics—it’s about accountability, protection, and compassion,” said Council Member Stevens. “The violence and harassment these staff members, especially women endure cannot go unchecked for any longer, and that sentiment stands for every industry. It doesn’t matter if you are entry-level or a seasoned executive, everyone deserves an environment where they feel safe, valued, and respected as an individual.”

In addition, [Introduction 792-A](#), sponsored by Council Member Carlina Rivera, would require DOC to use an electronic case management system to track investigations of sexual abuse.

“Accounts from survivors and the staggering number of lawsuits filed under the Adult Survivor Act makes it clear: sexual abuse in New York City’s jails is an epidemic that has been ignored for far too long,” said Council Member Rivera. “Survivors deserve justice and should never feel that their pain has been forgotten or dismissed. My legislation will ensure that reports of sexual abuse within the Department of Correction are tracked, investigated, and addressed without delay. It is time for this administration to take responsibility and enact real reforms to protect individuals who are incarcerated.”

The legislation is now subject to consideration by Mayor Eric Adams.



Bills Approved by the City Council

[Introduction 552-A](#), sponsored by Council Member Justin Brannan -- Requires the Department of Transportation (DOT) to coordinate with all relevant entities, including utility companies, when performing resurfacing work. It would also require DOT to complete resurfacing work within 15 business days after the completion of milling work, where practicable.

[Introduction 1160-A](#), sponsored by Council Member Justin Brannan -- Requires DOT to ensure that all pavement markings or temporary markings are installed on a street within 5 business days after the street is resurfaced.

[Introduction 646-A](#), sponsored by Council Member Kevin C. Riley -- Expands the reporting requirements for the implementation of next generation 911.

Introduction 888-A, sponsored by Council Member Crystal Hudson -- Requires that when a purchaser submits an offer to buy certain residential property that the owner has not listed for sale, is not actively selling, or did not intend to sell, the purchaser must disclose, in writing, in a clear and conspicuous manner, the estimated market value of the residential property. Any purchaser who violates this law is liable for a civil penalty of not more than \$500 for the first violation and not more than \$1,000 for a subsequent violation. Each distinct offer that violates this law is considered a separate violation.

Introduction 901-A, sponsored by Council Member Kevin C. Riley -- Requires the Office of the Homeowner Advocate to consult with the Department of Consumer and Worker Protection to provide support and counseling to homeowners and their heirs in order to protect their assets. Supports include financial planning, mortgage counseling, and scam prevention.

Briefs

Governor Hochul Denies Extradition of Doctor Charged with Criminal Abortion in Louisiana

Governor Kathy Hochul yesterday refused to sign an extradition order from the Governor of Louisiana seeking to charge a New York doctor with the crime of a criminal abortion by means of abortion-inducing drugs.

“At 1:41 p.m. today, this office received an order of extradition for a New York doctor, an abortion provider, who lives upstate. She has been accused of participating in a murder...This is a very serious offense,” Governor Hochul explained. “Louisiana has changed their laws, but that has no bearing on the laws here in the State of New York...So I want to be clear that we have taken all the steps we can to protect this doctor to continue allowing her to continue practicing what we believe is reproductive health, which I believe is an essential right.”

The Governor also said that she had sent out a notice to law enforcement in New York that instructed them to not cooperate with out-of-state warrants for such charges.

Attorney General James Secures Over \$6.9 Million in Refunds from CityMD for New Yorkers Wrongfully Charged for COVID-19 Testing

New York Attorney General Letitia James this week announced that her office has secured over \$6.9 million in refunds and \$7 million in canceled debt for over 300,000 individuals from CityMD. The urgent care provider with over 140 locations in New York wrongfully billed patients for COVID-19 testing at the height of the pandemic.

An Office of the Attorney General (OAG) investigation revealed that CityMD improperly billed its patients for COVID-19 tests, in some cases issuing bills up to two years after services were provided and even threatening to escalate overdue bills to debt collection. CityMD issued these bills despite knowledge of state and federal laws that protected patients from being billed for COVID-19 testing during the pandemic.

CityMD will pay \$95,000 in penalties to the State of New York and has agreed to pay an additional \$5,000 per violation for any future violations or failure to implement the required programmatic updates.

State Gaming Commission: Super Bowl Betting Down in 2025

New York's Gaming Commission on Thursday reported a \$47.4 million net win on the Super Bowl for the state's sportsbooks, a figure that includes futures bets on the odds to win the NFL championship. The state reported \$154.9 million was bet on the Super Bowl, down approximately 4.4% from last year's game.

2025	Super Bowl Wagering		Super Bowl Futures	
Mobile	Handle	GGR	Handle	GGR
Bally Bet	\$292,036.48	\$66,975.51	\$31,044.72	\$12,460.11
BetMGM	\$12,174,057.77	\$4,290,517.23	\$870,591.72	\$454,616.51
Caesars	\$8,949,623.56	\$1,807,227.04	\$1,274,723.29	\$474,574.09
DraftKings	\$40,474,779.01	\$10,502,110.86	\$14,930,802.28	\$3,329,990.50
FanDuel	\$56,775,533.77	\$22,296,189.48	\$5,994,097.30	\$1,461,238.90
Fanatics	\$7,003,115.26	\$1,687,944.97	\$723,149.04	\$289,829.81
RWB	\$165,333.00	\$14,186.00	\$8,768.00	\$3,627.00
RSI	\$1,492,036.28	\$158,857.73	\$297,339.45	(\$7,552.64)
ESPN Bet	\$1,763,976.50	\$506,516.62	\$ 123,629.52	\$ 65,761.01
Total	\$ 129,090,491.63	\$ 41,330,525.44	\$ 24,254,145.32	\$ 6,084,545.29
Retail	Handle	GGR	Handle	GGR
del Lago	\$272,945.76	(\$27,580.89)	\$50,621.25	\$7,618.08
Rivers	\$552,566.70	(\$20,941.18)	\$154,322.03	\$46,809.93
RWC	\$299,256.10	\$7,686.58	\$91,207.75	(\$1,332.03)
Tioga	\$114,682.91	(\$3,291.71)	\$22,476.99	\$5,686.91
Total	\$ 1,239,451.47	\$ (44,127.20)	\$ 318,628.02	\$ 58,782.89

Total	\$ 130,329,943.10	\$ 41,286,398.24	\$ 24,572,773.34	\$ 6,143,328.18
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	Handle	GGR
Total	\$ 154,902,716.44	\$ 47,429,726.42

Total	Tax Revenue	
	GGR	Revenue
Mobile	\$ 47,415,070.73	\$ 24,181,686.07
Retail	\$ 14,655.69	\$ 1,465.57
Cumulative	\$ 47,429,726.42	\$ 24,183,151.64



Handle: Total amount of money wagered by bettors at a sportsbook over a given period.

Gross gaming revenue (GGR): Difference between the amount wagered minus the amount won.

Governor Hochul Issues Statewide Ban on DeepSeek AI for Government Devices and Networks

Governor Kathy Hochul this week announced a statewide ban to prohibit the DeepSeek Artificial Intelligence application from being downloaded on ITS-managed government devices and networks.

DeepSeek is an AI start-up founded and owned by High-Flyer, a stock trading firm based in the People's Republic of China. According to the Governor, serious concerns have been raised concerning DeepSeek AI's connection to foreign government surveillance and censorship, including how DeepSeek can be used to harvest user data and steal technology secrets.

Adams Administration Announces Tentative Agreement Between Council of School Supervisors and Administrators and Day Care Council of New York to Deliver Raises for Child Care Administrators

New York City Mayor Eric Adams, New York City Office of Labor Relations (OLR) Commissioner Renee Campion, Council of Schools Supervisors and Administrators (CSA) President Henry Rubio, and Day Care Council of New York (DCCNY) Executive Director Tara N. Gardner this week announced a tentative new contract for administrators at early childhood education centers, extending the collective bargaining agreement that expired on September 30, 2020.

The tentative new contract provides workers with a cumulative raise of over 33.62 percent for the entirety of the contract, retroactive to October 2020, and ending March 2028. The tentative agreement negotiated between DCCNY and CSA — which covers 150 directors and assistant directors at publicly-funded child care centers and family child care programs throughout New York City — provides wage increases, a ratification bonus, annual retention bonuses, and additional salary for those supervising extended day and year programs, along with substantial increased contributions to the union welfare fund.

“Our early childhood directors and assistant directors provide essential leadership for our youngest learners, laying a foundation for lifelong growth, success, and reinvestment in our great city,” said CSA President Rubio. “We are proud to have delivered a contract that honors their incredible contributions to our public school system, and we thank the Day Care Council of New York for their ongoing collaboration. We greatly appreciate the mayor’s recognition and critical investment in equity for our city’s workforce. We thank him for his commitment to educational leaders who deserve to be on a pathway toward parity. We look forward to continuing our partnership with the DCCNY and the city to build on this progress.”

Coming Up

New York State

Tuesday, February 18th

NYS Senate Social Services, Housing & Aging Committee

To assess rental assistance programs and examine the need for expanded residential rental assistance to prevent evictions, 250 Broadway – Senate Hearing Room, New York

Note: The NYS Legislature is not in session the week of February 17th. It will reconvene on February 24th.

New York City

Wednesday, February 12th

Subcommittee on COVID & Infectious Disease, Council Chambers – City Hall, 10 a.m.

Committee on Public Safety, Committee Room – City Hall, 10 a.m.

Committee on Oversight and Investigations, Committee Room – City Hall, 10 a.m.

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

Committee on Technology, Committee Room – City Hall, 10 a.m.

Committee on Veterans, 250 Broadway – Committee Room, 14th Floor, 1 p.m.

Thursday, February 13th

Committee on Education, Committee Room – City Hall, 10 a.m.

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

Committee on Children and Youth, 250 Broadway – Committee Room, 14th Floor, 1 p.m.

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**120 Broadway, 28th Floor
New York, New York 10271**
Telephone (212) 652-3890

**111 Washington Avenue, St. 401
Albany, New York 12210**
Telephone (518) 449-3320

**1220 19th Street NW, St. 600
Washington, D.C. 20036**
Telephone (202) 964-4753
