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THIS WEEK IN NEW YORK

COVERING NEW YORK & 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



Attorney General James Issues Diversity, Equity, Inclusion, and Accessibility Guidance for Schools

New York Attorney General Letitia James this week led a coalition of 14 attorneys general in issuing guidance to K-12 schools, colleges, and universities outlining the benefits, legality, and importance of common diversity, equity, inclusion, and accessibility (DEIA) policies and practices in education.

The guidance comes in response to concerns expressed by some educational institutions following an executive order and a U.S. Department of Education (DOE) "Dear Colleague" letter directed to schools that continue to uphold DEIA policies and programming. In the guidance issued this week, Attorney General James and the coalition remind educational institutions and entities that their lawful efforts to seek and support diverse, equitable, inclusive, and accessible educational experiences cannot be rendered illegal by an executive order or a letter from DOE – neither of which can make or change the law.

"The administration cannot ban diversity, equity, inclusion, and accessibility efforts with a 'Dear Colleague' letter," said Attorney General James. "Schools and educational institutions can rest assured that they are well within their legal rights to continue building inclusive learning environments for their students. My office will always stand up for the rule of law and defend New Yorkers from threats."

According to the Attorney General, the Trump administration has sought to misinterpret and improperly expand the U.S. Supreme Court's ruling in the *Students for Fair Admissions, Inc. v. President and Fellows of Harvard College* (SFFA) decision. In their guidance, the attorneys general clarify that the administration's recent executive order and communications from DOE do not change the law with respect to higher education policies.

The attorneys general also emphasize that higher education institutions are within their rights to continue to seek and cultivate diverse student bodies and equitable outcomes for students. In the guidance, the coalition clarifies that while the SFFA decision limited the ability of higher education institutions to consider an applicant's race as a "plus" factor for admission, schools can still work to diversify their applicant pools and student bodies through recruitment efforts.

The guidance also notes that institutions do not have to ignore race when identifying prospective students for outreach and recruitment programs, provided such programs do not give students preference based on race and that all students have the same opportunity to apply and compete for admission. Attorney General James and the coalition assure schools that they can continue to direct outreach to potential applicants based on a wide range of characteristics, such as academic interests, geographic residency, financial means and socioeconomic status, family background, and parental education level.

The attorneys general are also encouraging K-12 schools to review their current practices to ensure that their districts comply with anti-discrimination, anti-bullying, and civil rights laws, and by adopting programs and policies that incorporate best practices and meet the needs of their communities.

Joining Attorney General James in issuing this guidance are the attorneys general of California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, New Jersey, Nevada, Oregon, Rhode Island, Vermont, and the District of Columbia.



State Senate Passes Legislation to Support New York's Workforce

The New York State Senate this week passed legislation to enhance workplace protections and combat wage theft.

"New York's workforce is the engine that drives our economy, and they deserve fair wages, safe working conditions, and strong protections," Senate Majority Leader Andrea Stewart-Cousins said. "This legislative package cracks down on bad actors who take advantage of workers with little consequence, marking another step forward in the fight against wage theft and workplace exploitation."

The package includes:

Establishes the No Severance Ultimatums Act: This legislation, <u>S.372</u>, sponsored by Senate Deputy Leader Michael Gianaris, establishes the No Severance Ultimatums Act, which prohibits employers from delivering coercive severance ultimatums to employees and former employees reviewing severance agreements, and which provides employees ample time to review such agreements. It is sponsored by Labor Committee Chair Harry Bronson in the Assembly (A6480).

Increases TDI benefits and expands coverage: This legislation, <u>S.172</u>, sponsored by Senate Labor Chair Ramos, amends the Workers' Compensation Law (WCL) to increase short-term disability benefits provided in the form of Temporary Disability Insurance (TDI) weekly cash benefits, and expands disability and paid family leave coverage. It is also sponsored by AM Michaelle Solages (A84).

Provides grounds for attachment and streamlines wage claims procedures: This legislation, <u>S.4611</u>, sponsored by Senate Labor Chair Ramos, creates grounds for attachment to allow wage theft victims to seek attachment of employers' assets during court action pendency, and amends the business corporation law and the limited liability company law to streamline procedures allowing employees to hold shareholders and owners personally liable for wage theft. It is also sponsored by AM Linda Rosenthal (A4994).

Extends paid sick leave to domestic workers: This legislation, <u>S.4515</u>, sponsored by Senate Labor Chair Ramos, requires employers of domestic workers to provide annual paid sick leave to such workers. It is also sponsored by AM Bronson (A4996).

Establishes the crime of misappropriation of payroll funds: This legislation, <u>S.4188</u>, sponsored by Senator Leroy Comrie, expands protections for employee payroll funds by establishing the crime of the misappropriation of payroll funds. It is also sponsored by AM Jeffrey Dinowitz (A3382).

Enacts the Wage Payment Integrity Act: This legislation, <u>S.2236</u>, sponsored by Senator Andrew Gounardes, enacts the Wage Payment Integrity Act, which bolsters employee protections against wage theft by clarifying that all bonuses and other forms of employment remuneration that are not purely discretionary count as wages. It is also sponsored by AM Jo Anne Simon (A2222).

Allows stop-work order issuance for employee misclassification: This legislation, <u>S.1514</u>, sponsored by Senator Pete Harckham, authorizes the Commissioner of Labor to issue a stop-work order for employers that have misclassified their employees or that have misrepresented to insurance companies their employee count.

In The News-New York City



Mayor Adams Names Four Deputy Mayors

New York City Mayor Eric Adams today announced the appointments of Adolfo Carrión, Jr. as deputy mayor for housing, economic development, and workforce; Suzanne Miles-Gustave, Esq. as deputy mayor for health and human services; Jeffrey D. Roth as deputy mayor for operations; and Kaz Daughtry as deputy mayor for public safety.

According to the Mayor, Deputy Mayors Carrión, Miles-Gustave, and Roth will begin their roles starting at the close of business on Friday, March 14, while Deputy Mayor Daughtry will begin his new role at the close of business today.

"Every day, more than 300,000 city employees work tirelessly to make our city safer, more affordable, and the best place to raise a family. We have attracted the most talented and dedicated workforce in the country to deliver for 8.3 million New Yorkers daily, and we must have leaders that are just as talented and dedicated to help lead that workforce — and that's exactly what the city is getting with the appointments of Deputy Mayors Adolfo Carrión, Jr., Suzanne Miles-Gustave, Jeffrey Roth, and Kaz Daughtry. These exemplary public servants have decades of experience serving our city and their fellow New Yorkers, and I thank them for their willingness to step up and serve at such a critical time," said Mayor Adams. "I also want to say how much I appreciate all the good work of our outgoing team members: Maria Torres-Springer, Anne Williams-Isom, Meera Joshi, and Chauncey Parker. All four have been vital to our work reshaping New York City."

Deputy Mayor Carrión currently serves as Commissioner of the New York City Department of Housing Preservation and Development, where he has advanced policies to create and preserve affordable housing, while driving neighborhood investment.

His leadership spans the local and federal government, as well as the private sector, leading efforts to develop housing, infrastructure, and business opportunity.

Deputy Mayor Miles-Gustave served as the former acting commissioner and executive deputy commissioner at the New York state Office of Children and Family Services (OCFS), as well as general counsel.

She holds a Bachelor of Arts in photography from the State University of New York at Buffalo and earned her law degree from Fordham University School of Law.

Deputy Mayor Roth served as a deputy commissioner at the New York City Department of Veterans' Services, where he led efforts to support over 210,000 veterans. At the New York City Taxi and Limousine Commission, Roth oversaw policy development and data analytics as deputy commissioner for policy and external affairs. His tenure at the Fire Department of the City of New York included service as assistant commissioner of management initiatives.

He has a Master of Arts in public policy and urban planning from Harvard University, a Master of Arts in strategic studies from the U.S. Army War College, and a Bachelor of Arts in social relations from Michigan State University.

Deputy Mayor Daughtry served as the deputy commissioner of operations at the New York City Police Department (NYPD) where he partnered with New York City Emergency Management and other city, state, and federal agencies to coordinate plans and preparations for large scale events and in response to catastrophic circumstances.

He holds a Bachelor of Arts from Excelsior University.

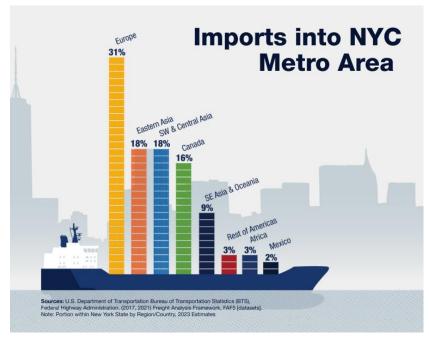


Comptroller DiNapoli Looks at NYC Metro Area's Import and Export Economies

The New York City Metropolitan Area accounted for more than \$103 billion, or 69%, of the value of goods imported to New York state. In 2023, Europe provided the largest share of goods by value to the metropolitan area among all regions, according to a report released by New York State Comptroller Thomas DiNapoli.

"New York City is one of the country's largest importers and exporters of goods, and its consumers and businesses could be negatively affected by new tariffs on goods traded with some of our biggest trading partners," Comptroller DiNapoli said. "Tariffs will likely raise costs for producers and consumers and may create higher operating costs for local businesses. The impact of these changes on the local and national economy are difficult to gauge and will take time to fully understand."

New York state imported \$157.2 billion in goods in 2023, according to the International Trade Administration (ITA), making up about 5% of the national total. However, ITA does not provide detailed data on imports at the metropolitan area level.



An analysis based on the U.S. Bureau of Transportation Statistics' commodity flow data estimates the New York portion of the New York City Metropolitan Area – which includes New York City, Long Island, and certain Hudson Valley counties – imported over \$103 billion in goods from foreign countries in 2023. The largest source of imports into the metropolitan area, and the state, by region, is Europe. Europe is estimated to make up about 31% of the value of all goods imported into the New York City area in 2023.

Eastern Asia is the nation's largest partner at over 25% of total import value (\$747.2 billion). Canada was also estimated to provide more than 16% of the total import

value to the metropolitan area within New York state.

According to the report, the largest share of imported goods to the New York portion of the metropolitan area is for miscellaneous manufacturing products (such as medical equipment), which made up an estimated 38.4% of the total goods value imported to the area in 2023. Textiles/leather, electronics and machinery are the next three largest categories by estimated import value to flow into the area.

In some cases, countries already have retaliated or suggested they will respond in the future in answer to tariffs by the United States, which would impact certain industries more than others. Healthcare, retail, and manufacturing firms may have to pay higher prices or see markets for their goods potentially impacted by tariffs. Restaurants and bars could also see higher prices for products, according to Comptroller DiNapoli's report.

The New York City-Newark-Jersey City Metropolitan Area, which also includes parts of northern New Jersey, exported over \$106 billion in goods in 2023 according to ITA, second only to the Houston Metropolitan Area and its large oil and gas exports.

The metropolitan area's largest export trading partners are Canada and Switzerland, each of which make up more than 12% of total exports from the area. Hong Kong, Mexico and the United Kingdom round out the top five countries that receive goods exported from the New York City Metropolitan Area.

The largest share of exported goods is miscellaneous manufacturing products at more than a quarter of the total in 2023. Primary metals, chemicals and computer and electronic products all exceeded \$10 billion each in exports from the metropolitan area in 2023. Companies in these industries reliant on exports may see shrinking markets for goods or need to alter strategies to direct production towards domestic uses.

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NYC Council Economic Forecast Projects City to Receive \$3 Billion More in Tax Revenues than Recognized by Mayor's OMB for FY's 2025 and 2026

The Council released its March 2025 Economic and Tax Revenue Forecast that projects continued momentum in economic activity that has slightly improved the City's tax revenue outlook, even as uncertainty from the federal policy landscape has created inflationary pressures. The forecast estimates \$3 billion in greater tax revenues for Fiscal Years (FY) 2025 and 2026 than the Mayor's Office of Management and Budget's (OMB). The increase reflects a slightly higher inflation outlook and stronger than expected personal income and business tax collections.

The City's tax revenue growth rate is projected to rise to an average of 4.5% annually from FY25 to FY28, up from 3.7% in November's forecast but less than the annual average rate of 5.5% between 2010 and 2019. This stronger revenue outlook means the Council anticipates the budget to remain balanced, and possibly run a surplus, in Fiscal Year 2026, but risks to the budget will grow in the outer years due to the potential loss of federal funding, corrections for underbudgeting, and inflationary pressure on the City's Expense Budget.

"While our national and local economies remain strong, inflation and reckless decisions from Washington may greatly impact our city budget and the lives of New Yorkers," said Speaker Adrienne Adams and Finance Committee Chair Justin Brannan. "We will need to focus on targeted investments in the services, priorities, and programs that meet the needs of our communities in these uncertain times. Ensuring all New Yorkers have what they need to thrive remains our top priority, and the Council will continue to focus on protecting New Yorkers from any threats that undermine our fiscal health and stability."

According to the Council the national economic outlook continues to remain strong despite slower GDP growth, with raised inflationary pressures. Following three rounds of rate reductions that lowered the policy rate a full percentage point since September, the Federal Reserve paused its rate reduction cycle in January as a result of higher inflation readings. Economic growth is expected to moderate due to "increased uncertainty with the federal policy landscape and the cooling impacts of lasting high interest rates on economic activity. The potential impact of tariffs increases uncertainty for consumers and businesses, creating inflationary pressures and potential weakness in the labor market."

The Council's economic outlook for New York City reflects a strong city economy, the leaders asserted. There is potential volatility in income tax collections that will require budget caution, and uneven job growth continues in the social services, and home healthcare sectors that pay low average wages.

Briefs

Upstate Legislators Introduce Bill to Delay Clean Truck Mandate

Rochester Senator Jeremy Cooney and Binghamton Assemblymember Donna Lupardo this week introduced legislation (S593/A6359) to delay the State's Advanced Clean Trucks (ACT) rule until 2027. The rule requires manufacturers sell a higher percentage of electric trucks starting this year.

The ACT rule is part of a broader initiative by California's Air Resources Board (CARB) that the State Department of Environmental Conservation (DEC) adopted through a regulatory process. These regulations currently require that a certain percentage of zero-emission heavy duty vehicles be sold for every diesel truck purchased.

According to the sponsors, in December 2024 DEC issued an enforcement discretion for trucks owned by state and local governments. At the same time, they also delayed the overall enforcement of the ACT regulations until 3/31/29, in the face of obvious compliance issues.

Unfortunately, the sponsors explained, the enforcement delay does not delay the regulations, putting the industry in a worse position when the percentage of electric to diesel truck sales increases. Also, during the enforcement delay, the Original Equipment Manufacturers will continue to accrue deficits, which will be substantial by the time ACT rule is enforced.

The sponsors asserted that the ACT regulations are nearly impossible for the trucking industry to comply with because of a lack of truck charging infrastructure, cost factors, and other challenges. Major infrastructure and budgetary challenges must be accounted for before these policies are implemented to prevent disruptions within the supply chain.

Leading Rating Agencies Again Affirm New York City's Strong Financial Standing and Stability

New York City Mayor Eric Adams this week highlighted that four internationally-recognized, independent credit rating agencies – Moody's Ratings, S&P Global Ratings, Fitch Ratings, and Kroll Bond Rating Agency (KBRA) – have affirmed the city's strong bond ratings and stable outlook.

Based on the strength of the city's fiscal management, revenue performance, budget reserves, and post-pandemic recovery, all four agencies assigned double-A category ratings and stable outlooks to the city's upcoming sale of approximately \$1.5 billion of General Obligation Bonds. The city's strong General Obligation Bond ratings and outlooks have been repeatedly either upgraded or affirmed by all four rating agencies over the course of the Adams' administration.

State Gaming Commission Sets Downstate Casino Award Timeline

The New York State Gaming Commission has announced a new timeline for awarding up to three commercial casino licenses in downstate New York.

According to published reports, Robert Williams, Executive Director of the New York State Gaming Commission, outlined the extended timeline during a recent public meeting. Per Williams, the process will proceed as follows:

- June 27, 2025: Deadline for license applications.
- September 30, 2025: Deadline for satisfying Community Advisory Committee requirements.
- December 1, 2025: Projected date for licensing decisions.



Coming Up

New York State

Monday, March 10th

Board of Regents Meeting, 89 Washinton Ave – Seminar Room, 5th Floor, 9 a.m.

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

New York State Assembly Session, Assembly Chamber, Albany

Tuesday, February 11th

Board of Regents Meeting, 89 Washinton Ave – Seminar Room, 5th Floor, 9 a.m.

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

New York State Assembly Session, Assembly Chamber, Albany

Wednesday, February 12th

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

New York State Assembly Session, Assembly Chamber, Albany

Thursday, March 13th

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

New York State Assembly Session, Assembly Chamber, Albany

New York City

Monday, March 10th

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

Committee on Public Housing, Committee Room – City Hall, 10:30 a.m.

Committee on Technology, Committee Room – City Hall, 3 p.m.

Tuesday, March 11th

Committee on Public Safety, Council Chambers – City Hall, 9:30 p.m.

Subcommittee on Zoning and Franchises, 250 Broadway – Committee Room, 16th Floor, 11 a.m.

Subcommittee on Landmarks. Public Sitings and Dispositions, 250 Broadway – Committee Room, 16th Floor, 11:30 a.m.

Committee on Land Use, Committee Room – City Hall, 1:30 p.m.

Wednesday, March 12th

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

Thursday, March 13th

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

Committee on Higher Education, Committee Room – City Hall, 1 p.m.

Friday, March 14th

Committee on Fire and Emergency Management, Council Chambers – City Hall, 10 a.m. *Committee on Oversight and Investigations,* Committee Room – City Hall, 10 30 a.m.

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