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Federal

Congress Picks Committee Leadership Roles

Both the House and Senate have begun leadership elections and the House has chosen a number of Chairmen for top committees for the new Congress, which takes over in January 2015. The Senate is waiting to pick its Chairmen until the contested Louisiana Senate race is resolved on December 6. Here are some highlights of what has been finalized thus far:

- *House Energy and Commerce*: Fred Upton (R-MI) will continue as chairman. Frank Pallone (D-NJ) will become the new ranking member, replacing Henry Waxman who is retiring. Pallone prevailed over Anna Eshoo (D-CA), who was supported by Minority Leader Nancy Pelosi.
- *House Homeland Security*: Mike McCaul (R-TX) will continue as chairman and Bennie Thompson (D-MS) will remain ranking member.
- *House Intelligence*: Devin Nunes (R-CA) has been selected to replace the retiring Chairman Mike Rogers (R-MI). Democrats haven't officially announced their ranking member, but Dutch Ruppersberger (D-MD) is expected to continue in the role.
- *House Ways and Means*: Paul Ryan (R-WI) will be the new chairman, taking over for term-limited Dave Camp (R-MI). Sander Levin (D-MI) will remain ranking member.

Senate Fails to Approve Keystone Pipeline

Shortly after the House voted to approve the Keystone Pipeline, the Senate fell one vote short of the 60 needed to approve the project. The vote was seen as a test of current Senate Energy Chairman Mary Landrieu's (D-LA) ability to secure additional democratic support for oil interests. Landrieu is currently fighting to keep her seat and is facing a runoff election on December 6. Although Keystone is likely dead for 2014, we expect it to be a priority of the 2015 Republican Senate.

House Passes a Series of EPA Bills

Last week, the House voted on several bills aimed at limiting U.S. Environmental Protection Agency (EPA) regulations. Two of the bills focus on improving the science behind EPA regulatory rulings:

- [H.R. 1422, EPA Science Advisory Board Reform Act of 2013](#), is meant to correct some perceived imbalances in EPA's science advisory panels, which offer guidance to the agency. The bill by Congressman Chris Stewart (R-UT), Chairman of the House Science, Space and Technology Subcommittee on Environment, would add new peer-review requirements related to balance and independence and would require more disclosure of potential conflicts of interest; and
- [H.R. 4012, the Secret Science Reform Act of 2014](#), sponsored by Rep. David Schweikert (R-AZ) would require EPA to make its data more transparent.

Both bills cleared the House Science Committee along party lines in the spring.

Also approved by the House was Congressman Steve Scalise's (R-LA) bill, [H.R. 4795, the Promoting New Manufacturing Act](#), which would require EPA to issue implementing regulations and guidance whenever it sets a new National Ambient Air Quality Standard. If EPA fails to issue guidelines concurrent with a new standard, new manufacturing facilities seeking to obtain air quality permits would not be required to meet the new standard.

The above bills are unlikely to pass the 60-vote threshold needed in the Senate.

DOE Loan Guarantee Program in the Black

After receiving negative attention for supporting the now bankrupt solar company, Solyndra, the Department of Energy's (DOE) loan guarantee program is expected to earn \$5 to \$6 billion.

The agency's goal is to fund clean-energy projects that banks and other investors have been reluctant to support, and any additional profits are a bonus. The DOE has disbursed about half of \$32.4 billion allocated to the program.

Past investments include companies pursuing breakthroughs in solar, wind and geothermal energy. The department currently is finalizing requests for bids on nuclear power projects and considering ones linked to energy-efficiency projects and advanced fuels.

State

Elected Officials Grapple with How to Spend \$5 Billion Windfall

The Division of Budget (DOB) recently released the state's mid-year fiscal update which shows that the state's surplus is now \$5.1 billion. The surplus is largely due to settlements New York reached with several large financial institutions related to the subprime mortgage crisis.

In mid-January, Governor Cuomo will release his proposed 2015-16 budget which is expected to include a plan to spend the windfall. Cuomo has stated that he will likely use the settlement cash to fund an infrastructure bank and assist local governments in sharing services to reduce property taxes. Assembly Speaker Sheldon Silver, the Senate Republicans, and others have also expressed support for using the surplus to fund infrastructure improvements.

Education advocates are pushing to use the funds for additional educational aid. However, Budget Director Bob Megna strongly argued against using the surplus to fund recurring expenses that will remain after the windfall is expended.

A copy of DOB's mid-year fiscal update can be found [here](#).

Senate Republicans Begin to Release 2015 Legislative Agenda

Now that the Senate Republicans have secured the majority, they are beginning to outline their agenda for the 2015 legislative session. Priorities include adhering to a maximum 2% spending increase, cutting taxes and fees, and infrastructure investments.

Among the taxes and fees they are looking to cut is the temporary energy surcharge known as 18-a. Paid by all customers on their utility bills, 18-a was originally scheduled to expire this year, but subsequently was extended to 2017. It is currently being phased-out through the 2017 expiration. Using a portion of the budget surplus, the Senate Republicans will seek an immediate repeal of 18-a for all utility customers in the upcoming budget process.

The Senate Republicans will also seek more transparency in the collection and distribution of SBC, EEPS, RPS, and RGGI funds. They have been critical of this "off-budget" spending – spending which occurs outside of the budget process - and proposed a broad "sweep" of these dollars into the State's General Fund last year. The proposal ultimately failed. It is unclear at this time if they will seek a similar approach in the 2015-2016 budget.

NYS Assembly to Hold PSC Oversight Hearing

On December 5th, the New York State Assembly Committees on Energy and Corporations will hold a public hearing to review the impact of the Public Service Commission's (PSC) enhanced regulatory authority over gas and electric corporations. The PSC is expected to testify.

In the wake of Super Storm Sandy, Governor Cuomo convened a Moreland Commission to study and make recommendations regarding utilities' storm preparation and management. The 2013-2014 State Budget subsequently enacted several of the Moreland Commission's proposed reforms including enhanced storm preparation and response, enhanced management and operations audits, and increased penalties for safety and reliability violations.

This hearing will examine the PSC's implementation of regulations and orders necessary to carry out the reforms intended by the legislation.

NYS Assembly Holds Data Breach Hearing

On November 14th, the Assembly Consumer Protection and Affairs Committee held a public hearing on the impact of data breaches on consumers and the availability of state resources.

The hearing examined recent large scale data breaches and whether pending legislation might help prevent such data breaches in the future. The legislation at issue would require all of the state's businesses that maintain private information to develop, implement, and maintain a "comprehensive information security program".

Additional hearings are expected to be held on this issue and the Legislature is likely to consider the bill in the upcoming session.

A copy of the legislation can be found [here](#).

City

New York City Announces \$10 Million in Commitments for Democratic National Convention Bid

Mayor de Blasio announced that the city has secured \$10 million in commitments from host committee members for its bid to host the 2016 Democratic National Convention.

In August, Mayor de Blasio announced that the City was preparing to host a \$100 million convention, and has since raised 10 percent of that amount with two years left to plan and finance the convention. Later this month, the city will begin to host a series of community meetings with key stakeholders to continue efforts to engage the community from the grassroots up. The Administration also announced that it has increased the host committee membership to 101 business, civic and labor leaders, all of whom have pledged their support.

New York City to Host Mayoral Summit on Implementation of Executive Order on Immigration

Mayor Blasio announced that New York City will host a first-of-its kind summit with at least twenty mayors from cities across the country on December 8th to discuss and prepare a plan to put into action the Executive Order on Immigration from the President.

New York City has been at the forefront of being immigrant friendly with a wide range of services from providing access to federal immigration benefits, visa application assistance, deferred action for childhood arrivals, unaccompanied child migrant crisis response and the new Immigration and Customs Enforcement Detainer legislation that will dramatically reduce deportations. New York City is also among a number of cities which have clearly defined a course of action to counter the anti-immigrant policy-making of some US localities.

While Congress has thus far shown an inability to pass immigrant legislation, President Obama and the Department of Homeland Security have the legal authority to prioritize enforcement efforts and provide temporary relief from deportation for undocumented immigrants who pose no public safety risk. It is estimated that as many as five million immigrants in the country can benefit from this move, and municipalities across the nation will be responsible for further integrating these individuals to society.

The goals of the summit are two-fold:

- To foster immigrant friendly environments at the municipal level for the implementation of the presidential order through diverse and thorough outreach to immigrant communities and local authorities

- To foster consensus on the need for a permanent solution to the nation's current immigration system through congressional action on comprehensive reform.

As part of the summit, Commissioners of Immigrant Affairs of many cities will also be meeting in New York City to assess practical implementation of the executive action. The summit's agenda offers opportunities for mayors to present on particular developments in their cities as well as get advice from legal experts.

City Announces Local 891 and 32BJ Contract Agreement

Mayor Blasio announced a contract agreement has been reached between Local 891 School Custodians and their employees, 32BJ cleaners and handypersons. The 32BJ cleaners and handypersons work primarily in the City's public schools, but they are not employees of the City instead, the Local 891 School Custodians serve as the individual employer. The settlement agreement follows the established pattern of no new costs for the City as part of the deal.

The nine-year agreement covers October 22, 2007 through October 21, 2016 and includes 18 percent in raises over the contract term and a \$1,000 bonus. The agreement includes approximately eight percent in restructured payments for the 2008-2010 round of bargaining, in lieu of the raises that had been granted by the previous administration to much of the rest of the municipal workforce, provided in incremental lump sum payments through 2020. The employees will also receive a total of roughly 10 percent in raises through 2016, for the 2010-2017 round of bargaining.

There is also a health care savings component that will offset the cost of the contract while maintaining existing benefits for the approximately 5,000 full-time equivalent school cleaners and handypersons. The gross cost of the agreement is estimated at \$211.1 million, which will be offset by approximately \$21 million in guaranteed health savings - resulting in a net cost of \$190.2 million.

New Staten Island Business Improvement District is Established

Mayor de Blasio recently signed Local Law 57 which establishes a business improvement district on the west side of Staten Island, to be known as the West Shore Industrial Business Improvement District (BID). The boundaries are the West Shore Expressway to the east, Arthur Kill to the west, Bloomfield Avenue to the north and Meredith Avenue to the south. The District represents 72 tax lots and is located in Staten Island Community Board 2. Of the 72 tax lots, 52 are privately-owned and 20 are publicly-owned. Located on the 52 privately-owned tax lots are 42 businesses, including 25 industrial or transportation businesses, 13 commercial businesses, and 1 not-for-profit business.

Services to be provided within the District include: sanitation and maintenance (to address illegal dumping and abandoned cars and to maintain various medians); district-wide improvements (including way finding and streetscape improvements, such as signage); security services (such as night and weekend security patrols); and administrative and advocacy services. The law will take effect upon the completion of review by the New York State Comptroller to determine that the relevant tax and debt limitations will not be exceeded by the establishment of the District.

City Announces Changes to Workforce Development

Mayor de Blasio announced major changes in the City's workforce development initiative. The changes come about as a result of the recommendations in the *Career Pathways* report, which was done by the

Jobs for New Yorkers Task Force. The Task Force is a 30 member group that was put together by the mayor to develop real-time strategies to strengthen the city's workforce and help workers develop the skills needed to secure good paying jobs in fast-growing careers.

The Task Force recommended that the City adopt the nationally recognized Career Pathways, which is a system-wide framework that aligns education and training with specific advancement opportunities for a broad range of job-seekers. As a result, the administration will invest in middle-skill job training for up to 30,000 people each year, prioritize good-paying full-time job placements at workforce agencies, and require companies doing business with the City to move New Yorkers to the front of the hiring line.

The City will realign its workforce development system to lift up New Yorkers and meet the needs of a 21st Century economy by:

- Establishing a "First Look" hiring process which will require employers who receive City business to initially give preference to local qualified workers from workforce development programs in the beginning of their staffing process.
- Giving consideration to factors such as wage growth and job continuity in the payment process for workforce contracts and not just the number of placements
- Provide training up to 30,000 New Yorkers each year for skilled occupations in growing sectors by tripling the City's investment to \$100 million for middle-skill occupations
- Investing \$60 million annually in new bridge programs that allow low-skill job seekers to enter training programs and prepare them for entry-level work in growing fields
- Investing \$5 million in Industry Partnerships which will determine the skills and qualifications that industry needs and continually upgrade training programs to reflect market conditions and needs. Emphasis will be on health care, technology, industrial/manufacturing and construction.
- Also, focusing on training more New Yorkers for jobs with career potential in retail and food services

The City will also look to replicate its successful Tech Talent Pipeline and New York Alliance for Careers in Healthcare (NYACH) process across other industries, with partnerships that provide real-time feedback on employer needs in growing sectors like modern manufacturing and construction.