



2024

LEGISLATIVE PREVIEW

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As always, politics will be a dominating factor in 2024 in New York: a Presidential Election, Congressional Elections in newly drawn districts that will determine control of the House of Representatives, and the entire State Legislature up for reelection under a new public campaign financing system. Those state elections will be particularly interesting as moderate Democrats (and in some cases Republicans) face primaries while Democrats in previously safe places (a Republican won a New York City Council race in the Bronx last year!) are facing General Election challenges from a reenergized Republican Party that has had success in attracting Latino and Asian constituencies previously solidly Democratic and this public financing system will mean lots more money available to challengers able to organize their neighborhoods.

The policy and governmental side is also fraught with challenges as looming fiscal deficits will force elected officials (many of whom are watching their backs, see above) to make difficult choices. Those fiscal choices—especially whether to increase personal income taxes or look for other revenue raisers—will be the defining issues of 2024, including the finances—as well as the morality—of dealing with New Americans, be they migrants or asylum seekers, and the rising costs associated with their care.

Of course, we cannot fully understand the path ahead without first reviewing how we got here. Below is our 2023 New York State Legislative Review and 2024 Preview.

2023 New York State Legislative Review

The Fiscal Year 2024 Budget saw all funds spending approved at \$229 billion, a 3.9 percent increase from Fiscal Year 2023. The Budget saw notable action taken on climate change, education, worker protection, public safety, healthcare, the MTA, and housing.

After four years of advocacy by climate and community organizations, the Enacted Budget included the Build Public Renewables Act that, for the first time, authorized the New York Power Authority (NYPA)—the largest state public power authority in the nation—to build renewable energy projects to help the State reach its very ambitious climate goals. Various energy and environmental activists lauded this provision of the Budget. The All-Electric Building Act was also included, restricting fossil-fuel hookups in new homes and buildings starting in 2026. Governor Hochul was also to achieve her proposal of a cap-and-invest program that ultimately included higher labor standards and a focus on environmental justice communities. The Department of Environmental Conservation announced they have filed draft regulations for two of the most potent greenhouse gases that will be available for public comment early next year. Working out the rest of the details of these programs will be a major part of the policy conversation in 2024.

Hochul and the Legislature agreed to \$24 billion in funding for Foundation—a \$2.6 billion increase from the year before. *This fully funded the Foundation Aid formula for the first time in history.* Part of the deal included the reissuance of 22 charter schools and \$135 million was included to fund the Healthy School Meals for All program making school meals free for all New York students, along with \$20 million in capital funding for public libraries. SUNY and CUNY also saw increases in general operating aid and flexible capital. These increases will be compounded by inflation and cost of living increases and are part



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

of the pressure on budget spending in future budgets. Certainly it is difficult to find an elected official in New York who wants to cut education funding and so higher costs for education means less funding for other programs . . . until or unless more revenue can be found.

Last year's budget also featured an agreement to statutory raises in the next three years for the minimum wage, increasing the hourly wage to \$17 downstate and \$16 Upstate by 2027 and significantly, following 2027, annual increases in minimum wage will be tied to inflation.

Public safety continues to be a concern across New York and last year's budget was delayed until Hochul and the Legislature reached an agreement providing greater discretion for judges to set bail for serious crimes while also clarifying other protections for defendants. \$347 million, a \$120 million increase from the FY'23 Budget was approved for various programs to prevent and reduce gun violence. \$170 million was included to support discovery process improvements for both district attorneys and public defenders along with \$100 million in aid for prosecution and defense funding across the State. The enforcement powers of both the Office of Cannabis Management and the Department of Taxation and Finance to address unlicensed cannabis stores was also strengthened.

Mental health was one of biggest pieces of both Governor Hochul's Executive Budget and the FY'24 Enacted Budget with \$1 billion being committed for a multi-year mental health care investment primarily in capital funding to develop new residential units and expanded mental health services including in schools. Abortion providers were supported by \$100 million in funding through increased Medicaid reimbursements and requiring private insurers to cover abortion medication. Reimbursement rates for Medicaid were also increased by 7.5 percent for hospital inpatient services, 6.5 percent for outpatient services, and 6.5 percent for nursing homes and assisted living programs. Human service workers won a cost-of-living adjustment of 4 percent while an additional \$93 million went to the Opioid Settlement Fund.

Suburban Democrats in both the Senate and Assembly majorities were successful in working with their city colleagues to limit Hochul's original Payroll Mobility Tax increase proposal to only New York City-based businesses. Transit advocates were also especially excited about a pilot program for free buses in each borough of New York City as well as statutory language for the MTA to make various improvements to its operations including reducing average wait times for weekend and weekday service on various subway lines that are expected to serve 800,000 riders per day.

Housing was particularly contentious and most of Hochul's housing proposals fell out of the 2023 Budget and Legislative Session, the FY'24 Enacted Budget saw nearly \$400 million in additional funds appropriated to the Emergency Rental Assistance Program to support tenants and families, including New York City Housing Authority (NYCHA) residents and other public housing residents along with recipients of federal Section 8 vouchers. The Homeowner Protection Program and the Homeowner Stabilization Fund was funded at \$90 million, modeled on the \$10 million Buffalo East Side Homeowner Improvement Program.

The 2023 Legislative Session saw both Houses pass nearly 900 bills, including legislation to protect reproductive health care, support LGBTQ+ New Yorkers, reform New York's election laws, advance the rights of workers, and protect the environment.



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

The Governor has 10 days -minus Sundays- to sign or veto a bill before it automatically becomes law once lawmakers deliver it to her desk. At the end of the year, staff for the Governor's office and legislative majorities work to hammer out agreements to modify legislation through what are known as "chapter amendments" in order to ensure the Governor's signature. The early days of the Legislative Session will see lawmakers taking up these "chapter amendments" to truly put a wrap on the 2023 Legislative Session.

The end of the year has resulted in some dramatic bill signings and vetoes from Governor Hochul. Some of the highlights of Hochul's 2023 vetoes include legislation related to the STAR Credit Bill of Rights, Utility Intervenor Reimbursement, stream protection, and proposed lobbying regulations in reaction to the lobbying efforts for failed Court of Appeals nominee, Hector LaSalle that were not required to be disclosed under current State law. The Governor also vetoed a measure that would have banned the use of non-compete agreements and rejected a proposal to tweak the State's public campaign financing system that is set to go into effect this year. The last major veto from the Governor came on the Grieving Families Act, a bill that would amend the wrongful death statute to increase the number of damages that families can recoup in wrongful death cases. This is the second year in a row the bill passed the Legislature but was vetoed by the Governor.

After intense opposition from Republicans and even some Democrats, Governor Hochul signed legislation into law that will begin the process of consolidating local elections to even-numbered years outside New York City. It will ultimately take a constitutional amendment that could be passed at the earliest in 2025 to align all political offices to even-numbered years. Supporters argued that the bill will increase voter turnout and support democracy while opponents look at the measure as a one-party power grab to help Democrats win more local offices. The Governor and Legislature came to a compromise on a bill to require the disclosure of beneficial owners of LLCs in New York, settling on a database of owners as the bill called for, however, it will not be made public.

The rules of the political game change for bills that the Legislature does not deliver to the Governor's office or that Governor Hochul does not act on before the end of the year. The Governor will have 30 days to act on the legislation with bills automatically getting vetoed known as a "pocket veto" rather than automatically becoming law.

2023 also saw Democrats generally do very well in local elections across New York with a few notable wins for Republicans.

Buffalo: Democratic Erie County Executive Mark Poloncarz won a historic fourth term by defeating his Republican opponent by 17 points. Democrats Leah Halton-Pope and Zeneta Everhart were elected to the open Masten District seat and Ellicott District seat respectively in the City of Buffalo. For the first time in a decade, there will be women serving on the Buffalo Common Council. Buffalo continues to quietly be going through transformational political change and both Halton-Pope and Everhart will play a significant role in electing a new Council President. After a recount, Democrat Brian Nowak defeated Republican Michael Jasinski to be elected Cheektowaga Town Supervisor by just 53 voters in a race where 18,000 people voted.



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

Rochester: Democratic Monroe County Executive Adam Bello became the first Democrat ever re-elected to that office with a 22-point victory. Democrats won a clear majority in the County Legislature giving Bello a stronger governing partner for his agenda, which was an ongoing source of frustration for the County Executive and his team in his first term. In Monroe County, Irondequoit has produced many of the region's political heavyweights including Congressman Joe Morelle, County Executive Adam Bello, and County Clerk Jamie Romeo. Irondequoit voters elected their first Black town supervisor in Democrat Andrae Evans with 52 percent of the vote defeating Republican Rory Fitzpatrick who narrowly defeated Democrat Joe Morelle Jr. in 2021.

Syracuse: In a bright spot for Republicans, County Executive Ryan McMahon easily won re-election with 62 percent of the vote defeating Democrat Bill Kinne. Democrat Marty Masterpole handily won re-election to serve another term as County Comptroller with 65 percent of the vote. First-time candidate Emily Essi flipped the County Clerk's office to the Democrats winning her election by just under 300 votes in a race where over 87,000 people voted. County Clerk Emily Essi joins newly elected County Legislator Maurice Brown and Syracuse City Auditor Alexander Marion as a younger trio of Democratic and progressive electeds who are poised to bring their next generation of leadership to Syracuse and Onondaga County.

Utica: After 12 years of Democrat Robert Palmieri leading the City of Utica, Republican Michael Galime defeated Democrat Celeste Friend by 31 points! Galime is the first Republican to win a mayoral race in Utica in 20 years. Is the Utica Mayoral race a warning sign of Democratic issues with working class voters? Utica median per capita income is over \$9,000 lower than the median New York per capita income.

Albany: While Albany County Executive Dan McCoy ran unopposed for a fourth term, Republicans saw notable big wins for mayoral races in Saratoga Springs and Troy. In Saratoga Springs, Republican John Safford unseated Democratic Ron Kim where he will become the first Republican mayor there in 10 years. In Troy, Republican Carmella Mantello becomes the first Republican elected mayor of the Collar City since 2007. Public safety concerns played a large role for the voters in both races.

Binghamton: Broome County Democrats had significant victories in the City of Binghamton not only ending one-party rule in city government but winning a clean sweep of all seven seats on the City Council.

Hudson Valley: In the Hudson Valley, Democrats had notable success in winning several races for District Attorney. Most notably, Democrat Anthony Parisi will be the next district attorney in Dutchess County replacing Republican incumbent William Grady who is retiring after 40 years as district attorney. In Ulster County, Democrat Manny Nneji held off Republican Michael Kavanagh by just under 400 votes in a marquee race. In Columbia County, Democrat Chris Liberati-Conant will be the next district attorney in Columbia County. Former State Senator Sue Serino will also now become Dutchess County Executive.

New York City: In the Bronx, Republican Kristy Marmorato defeated Democratic Marjorie Velazquez for a City Council seat in the Northeast Bronx. Marmorato will be the Bronx's first Republican elected official at any level of government in 20 years and the Bronx's first Republican on the City Council since 1983. In Brooklyn, Democrat Justin Brannon won re-election defeating former Democrat turned



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

Republican Ari Kagan. These two incumbents ran against each other as a result of redistricting. Brannan's victory is an exception to recent success that Republicans have had in southern Brooklyn.

Long Island: Republican dominance on Long Island continues to grow as Republicans will now have unilateral control of Suffolk County. Republican Ed Romaine will succeed outgoing Democratic County Executive Steve Bellone and become the first GOP executive there in two decades. After losing the Suffolk County district attorney race and control of the County Legislature in 2021, Republicans will now have unilateral control of Suffolk County government. On the local level in Nassau, Republicans also won control of the Long Beach City Council, which had been entirely run by Democrats for nearly 15 years. The North Hempstead Town Board also turned red after being controlled by Democrats since 1989 with Republican Jen DeSena winning re-election as Town Supervisor after initially defeating Democrat Wayne Wink in 2021. Republican supervisors Joseph Saladino and Don Clavin also won re-election as Oyster Bay and Hempstead town supervisors respectively.

2024 New York State Legislative Session and Political Preview

What will 2024 bring?

How will public financing and the political calendar affect the 2024 Legislative Session? This will be the first election cycle in New York State political history where taxpayer funds will be able to be utilized directly for state legislative races. A \$5 contribution with a 12:1 match value turns into a \$60 public match. A \$250 contribution with an 8:1 match value turns into a \$2,300 public match. With a total election cap of \$750,000 and \$350,000 for State Senate and State Assembly, respectively, between the primary and general election for matching funds, more candidates will have the potential to be financially viable and potentially make more districts competitive that have been traditionally ignored by the major party campaign committees. Will public financing change the nature of how major party campaign committees choose to invest in campaigns? How will independent expenditures have to calculate their spending decisions in this new environment? Privately, many lawmakers have regretted their decision to support the creation of the commission that ultimately was empowered to create the public campaign financing system.

Recent polling along with 2023 election results throughout the State offer both signs of hope and concern for Democrats going into 2024.

In a sign that economic anxiety is real, according to the Siena College Research Institute, among New Yorkers making \$50,000 or less, over 40% say they're worse off today financially than they were a year ago. 75% of New Yorkers surveyed reported that their finances are unchanged or that they are worse off. If economic concerns continue to be top-of-mind to a growing number of New Yorkers, Democrats have real challenges in selling their economic message to independent voters who have trended towards voting Republican in various parts of the State especially on Long Island.

President Biden's polling numbers continue to be alarming to Democrats in New York with 52% of New York Democrats surveyed wanting the Party to nominate someone other than the President in 2024. Additionally, the President's approval ratings continue to slip in New York below 50% with Biden now



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

only leading Trump 46-37%, far below his 61-38% margin of victory in 2020. Voters also continue to show serious concern about the ongoing influx of migrants and the state of crime.

Compounding potential issues for Democrats are Governor Hochul's polling numbers, which have lingered in the mid 40s and are currently at a 40-44% favorability rating. Senator Gillibrand who's also up for re-election also faces challenging polling numbers with a current favorability below 40% at 39-30%. While voters seem divided on whether they would re-elect Gillibrand or prefer someone else, no credible challenger has emerged to date.

While President Biden and Governor Hochul battle through challenging polling numbers, Democrats can be encouraged by a 12-point generic advantage with voters saying they would vote for a Democrat, rather than a Republican, for Congress. Democrats also have a 14-point advantage with voters who want Democrats to take back the House after the 2024 election.

Nationally, Democrats had a very strong 2023 with Democratic candidates in special elections running approximately 8 percentage points better than Biden's 2020 numbers. National marquee victories included flipping control of the Wisconsin state Supreme Court, winning a similar race in Pennsylvania, and achieving abortion rights victories in Ohio. In Virginia, Democrats not only kept the State Senate but flipped the State House, dealing a serious blow to Republican Governor Glenn Youngkin. Kentucky Governor Andy Beshear won re-election by 5 percentage points, improving on his first victory in 2019 by less than half a point. Republicans were able to flip the open governorship in Louisiana, and Mississippi Governor Tate Reeves won re-election, but their lack of success is a concerning sign after also underachieving in the 2022 midterms.

Will the Democrats take the House? Will Republicans take the Senate? Who will win the White House? 2024 is poised to be a fascinating year in national politics, beginning with another round of the ongoing redistricting saga. In a 4-3 ruling, the state Court of Appeals ruled that the New York Independent Redistricting Commission will need to draw a new electoral map for congressional districts by February 28th. Judges Jenny Rivera, Shirley Troutman, and Dianne Renwick concurred with the Majority Opinion offered by Chief Justice Rowan Wilson, with Judges Anthony Cannataro, Michael Garcia, and Madeline Singas dissenting. Judge Caitlin Halligan had recused herself from the case and was temporarily replaced by Renwick.

Expect this process to move swiftly as the court also found that the commission is not required to hold any additional public hearings before drawing new maps, since it already sought public input in 2022. Once new maps are ultimately approved by the Legislature, they will be in effect for the 2024 election and will last through the next round of redistricting in 2032. Any decisions by the IRC or the state legislature will also likely be challenged by Republican lawsuits.

Several state lawmakers have already announced their campaigns for congressional seats based on the current lines. Will some of the state lawmakers be forced to reconsider their congressional campaigns? Will new maps compel other state lawmakers to jump into running for Congress? Only time and a new round of political cartography will tell.



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

2024 Election Preview

Congress: The latest episode of the redistricting saga will continue into 2024 as current lines are shaken up. As Donald Rumsfeld would say, there are some “known knowns” with a February 13th Special Election in the 3rd Congressional District, comprising a portion of Eastern Queens and Nassau where former Congressman Tom Suozzi will be the Democratic candidate against Republican Mazi Pilip. February will also mark the end of a notable Congressional career for Congressman Brian Higgins, a Buffalo native who has spent 19 years in the House. His resignation will eventually trigger a Special Election. To date, State Senator Tim Kennedy is the only declared candidate in the race.

Tens of millions of dollars are likely to flow into New York as it becomes one of the key states that will determine the House Majority in 2024.

State Senate: After securing a back-to-back supermajority by just 10 votes, Democrats are poised to be playing a lot of defense but also offense in several key districts.

- Races to Watch:

- SD-3: Democrat Monica Martinez won re-election by just 2,000 votes. Even in a presidential year, Democrats aren't likely to take any chances given increased Republican successes in Suffolk. Expect Republicans to make this district a top-target.
- SD-6: As Democratic incumbent Kevin Thomas runs for the 4th Congressional District, several Democrats have already announced their candidacies for his seat including Assemblymember Taylor Darling and Nassau County Legislator Siela Bynoe. Former Freeport Village Trustee Carmen Pineyro has also been reported to have attended candidate screenings put on by the Nassau County Democratic Committee. Given the dominant Democratic enrollment advantage, the Primary Election will likely determine the eventual winner in the General Election.
- SD-7: Outgoing Nassau County Legislator Josh Lafazan and former Assemblyman Rory Lancman who now lives in Great Neck have both screened with the Nassau County Democratic Committee for their support. Republican Jack Martins currently represents the district after winning back this seat from Democrat Anna Kaplan in 2022. Democrats will point to Biden garnering 56% of the vote here in 2020 for optimism but Republicans can point to the last three years of electoral success throughout this district. Will Jack Martins pursue a rematch against Tom Suozzi in a 2024 General assuming Suozzi wins the Special Election? There are lot of unknowns here but as of now, this is a tougher pick-up for Democrats.



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

- SD-9: In 2016, Senate Democrats were jubilant when Todd Kaminsky won a Special Election to replace Dean Skelos in the former version of this district. Like SD-7, Senate Democrats were likely more excited about this district before the 2023 General Election. Long Beach was seen as one of the few Democratic strongholds in this district and Republicans will now control the City Council. While Biden won the district with 55 percent of the vote, this will likely also be a tough pick-up for Democrats even in a presidential year.
- SD-17: After only winning by 534 votes in 2022, Senator Iwen Chu is likely to be a top target for Senate Republicans. Democrats can be encouraged by Justin Brannan's re-election, Republicans have had considerable success with various constituencies in Southern Brooklyn including the Asian-American community.
- SD-23: Democrat Jessica Scarcella-Spanton is also likely to be a top target for Senate Republicans after winning election to her first term by just over 1,000 votes. As Chair of the Veterans, Homeland Security, and Military Affairs committee, Scarcella-Spanton has had the opportunity to build strong connections with veterans and first responders in a district that is full of them.
- SD-38: Republican incumbent Bill Weber is poised to face a rematch from former State Senator Elijah Reichlin-Melnick. Rockland County has proven to be a very unique and highly dynamic political environment compared to other parts of the Hudson Valley. There will be many factors at play in the outcome of this race but it's certainly one to watch.
- SD-39: Democrats have landed a strong recruit to run against Republican incumbent Rob Rolison in Dutchess County Legislature Minority Leader Yvette Valdes Smith. Biden won this district with 55% of the vote in 2020. Republicans can point to Rolison's popularity and name-recognition especially with Poughkeepsie voters. This race will come down to whether Democrats can turn out their voters in Newburgh and Poughkeepsie.
- SD-42: Democratic State Senator James Skoufis has historically been a transcendent Democratic vote getter in Orange County outperforming many other top-of-the-ticket Democrats. In 2022, Skoufis was nearly defeated by a relative political unknown in Republican Dorey Houle, winning re-election by just over 1,400 votes. Given that Biden lost this district in 2020 and the Governor's struggles here in 2022, expect Republicans to make this district a top target. Expect both Skoufis and Houle especially to make every effort to utilize public matching funds to support their campaigns.

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2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

- SD-50: Democratic incumbent John Mannion won re-election by just 10 votes. As Mannion pursues a Congressional campaigns, Democrats were feeling great that they had recruited Assemblymember Al Stirpe to run for the seat. Unfortunately, Stirpe left Senate Democrats at the altar deciding to run for re-election for the familiar comforts of the Assembly. Republicans are poised to make this seat their top pick-up focus.
- SD-52: In 2022, first-term Senator Lea Webb won this district, which now includes Binghamton, Ithaca, and Cortland by just under 2,400 votes. Biden did win this district with 60 percent of the vote in 2020. Democrats likely feel good about holding this district in a presidential year given the fundamental dynamics of the district along with the dominant performance of Binghamton Democrats this year.
- SD-63: Democrat Tim Kennedy has announced his run for Congress to replace Brian Higgins. Fillmore Councilmember Mitch Nowakowski and Erie County Legislature Chair April Baskin have already signaled their intent to pursue the Senate seat should Senator Kennedy win an eventual Special Election later this year.
- Other Districts of Note: In New York City, the real election is the Primary. We're keeping an eye on several districts including SD-21 (Kevin Parker), SD-25 (Jabari Brisport), SD-27 (Brian Kavanagh), and SD-59 (Kristen Gonzalez).

State Assembly

- Long Island: In 2022, the Assembly Republicans were able to ride off Lee Zeldin's coattails to flip several districts and even defeat longtime incumbent Steve Englebright in AD-4.
 - AD-4: Democrats hope to flip this district back to their column with former Senate candidate Skyler Johnson have already declared his candidacy. Rebecca Kassay is also in the mix.
 - AD-11: Democratic incumbent Kimberly Jean-Pierre had a closer than expected race last cycle winning by under 300 votes and will look to improve upon her margins there in 2024.
 - AD-16: Gina Sillitti will be running for that third-term that so often helps elected officials go from a marginal member to a safer member. While once blue to purple, North Hempstead has increasingly trended purple to red. While Sillitti did win re-election by nearly 1,800 votes, expect Republicans to make an effort here to flip this district.



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

- AD-21: Republican incumbent Brian Curran defeated Judy Griffin to win back his old Assembly seat in 2022 by 138 votes. Expect Democrats to make a strong effort to win back this district.

- New York City

Queens

- AD-23: Democratic incumbent Stacey Pheffer Amato won re-election by 15 votes in 2022. There's no doubt that she will face a tough fight in this working-class Queens district.
- AD-35: Also in Queens, longtime Democratic incumbent Jeff Aubry is retiring leaving an open seat where he's already shown support for Larinda Hooks. Perennial candidate Hiram Monserrate continues his quest for a political comeback and he's targeted this district to see if he can finally re-establish a political foothold for himself.
- AD-37: This Western Queens based district will likely see one of the most significant primaries. Scandal-scarred Assemblymember Juan Ardila has repeatedly faced calls to step down after being accused of sexual assault by two women in March. Union organizer Claire Valdez and Democratic district leader Emilia Decaudin have launched campaigns to defeat Ardila in a primary.
- AD-40: The Asian-American community has increasingly shown frustration with Democratic policies in New York City. Even Ron Kim wasn't immune to these factors winning re-election by just under 400 votes in 2022. Keep an eye on this Queens district.

Brooklyn

- AD-46 and AD-49: Alex Brook-Krasny and Lester Chang were able to defeat veteran Assembly incumbents Steve Cymbrowitz and Peter Abbate in Southern Brooklyn. Can Democrats win back these districts and counter some of the more recent successes that Republicans have made in Southern Brooklyn?

Manhattan

- AD-69: In 2002, Daniel O'Donnell made New York State political history being the first openly gay man elected to the New York State Assembly. With his retirement, this Upper West Side based district will have a new representative for the first time in over two decades. Lobbyist Melissa Rosenberg and Public Defender Eli Northrup have declared their candidacies.
- AD-70: After coming up short in a tough campaign for City Council to Yusuf Salaam, Harlem-based Democratic incumbent Inez Dickens looks to be very vulnerable in a primary.



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

More candidates might be merrier for Dickens as this race won't be decided by ranked choice voting.

Bronx

- Twenty-year incumbent Michael Benedetto is a close ally of Speaker Carl Heastie. Benedetto is poised to face a rematch of his 2022 primary campaign with Jonathan Soto. In 2022, the Working Families Party made this district one of its top targets, but Benedetto was able to win convincingly. Turnout is often lower in the Bronx compared to other boroughs so nothing can be taken for granted.

- Hudson Valley

- AD-99: In 2022, retired teacher Chris Eachus flipped this largely Orange County based district by just 8 votes! Orange County has seen wide political swings in presidential years most notably from 2012 to 2016. Look for this district to be the most competitive Assembly race in the General Election.
- AD-103: Sarahana Shrestha's primary victory over Kevin Cahill was one of the biggest wins for the Working Families Party and Democratic Socialists in 2022. Ulster County continues to see an influx of more progressively minded voters who are dominating in local politics. There are more traditional Democrats who remain increasingly frustrated by the DSA style. They'll likely attempt to field a competitive primary candidate, but it'll likely be an uphill battle. The base of Democratic voters in this Ulster and Dutchess based district increasingly seem to be activists who love to see their elected officials fight the good fight.

2024 Legislative Session Preview

Here are some of the biggest policy issues set to dominate the 2024 Legislative Session:

Governor Hochul will give her State of the State address on January 9th where she will lay out her budget and legislative priorities for this year's Legislative Session. Despite Democratic supermajorities in both the Senate and Assembly, policy disagreements with the Executive Chamber led to last year's budget being over a month late. Many of those disagreements, including on housing and energy policy, remain unresolved.

Budget & Economy

- **Deficits--** Budget Director Blake Washington has ordered state agencies to keep their budgets at or below the level allocated in the previous fiscal year, citing a \$4.3 billion projected deficit. That shortfall, which is projected to grow to \$9.5 billion next year and \$7.7 billion deficit in FY 2027, is also set to be a point of disagreement. Budget hawks want the Governor to enact spending cuts whereas progressive lawmakers have called for increased taxes on the wealthy and dipping into



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

the State's nearly \$20 billion rainy day fund. Hochul has thrown cold water on the idea of dipping into the State's reserves and has flatly rejected calls to increase taxes on any income level. Washington has acknowledged that the State's spending has not matched receipts and has said that keeping spending flat is necessary to prevent cuts to essential services like education and public health.

- **Migrant Crisis**—The influx of migrants and the resulting humanitarian crisis has strained the State's finances, specifically in New York City where the "Right to Shelter" law requires the City to provide housing to anyone who requests it. New York City Mayor Eric Adams and Governor Kathy Hochul are both looking to Washington, D.C. for help, arguing that the level of spending, roughly \$2 billion by April 2024, is not sustainable. New York received some reprieve when the Biden Administration granted Temporary Protected Status to roughly 500,000 Venezuelan immigrants, an estimated 60,000 of whom are in New York. Those who apply will now be able to legally work in the U.S. without fear of deportation, something Governor Hochul has said is crucial to put migrants on the path towards self-sufficiency.

Healthcare Delivery & Medicaid

- **Coverage for All**—Led by Make the Road New York and the New York Immigration Coalition, a broad spectrum of advocates ranging from legal service providers to health care consumer advocates are pushing A-3020 A/S-2237 A, which would amend the State's 1332 Waiver with the Federal Center for Medicaid and Medicare Services and expand Essential Plan eligibility to low-income New Yorkers regardless of their immigration status. The bill passed the Senate last year in the end-of-session rush but snagged in the Assembly. Advocates are pushing for its inclusion in the Budget this year.
- **New York Health Act**—Becoming the first state in the nation to implement a single payer healthcare system would be no small feat. New York's single payer proposal, the New York Health Act, has been around a long time—former Assembly Health Chair Dick Gottfried first introduced the proposal thirty years ago, but it has never gotten "serious" consideration or anything remotely close to a three-way negotiation. However, progressives like current Senate Health Chair Gustavo Rivera want to change that. The bill was heavily amended and reintroduced in July with the goal of gaining more labor support: among other amendments, technical changes were made to ensure employees do not shoulder the cost, with public employers paying a minimum of 80% of the payroll tax, and employees footing a maximum of 20%.
- **More Fee-for-Service Carveouts?**—The operational and fiscal implications of a single state single payer system make this issue a thorny one. What is more likely is that the discussion will lead to consideration by the Legislature and the Governor of "carve outs" of select portions of the Medical Benefit under Medicaid Managed Care into the "straight Medicaid" or "Fee for Service" Model, much like last year's carveout of the Medicaid Drug Benefit. Right now, there is



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

discussion in Albany on carving out Behavioral Health Services, and a proposal to carve out the Managed Long Term Care Program. These carveouts, in and of themselves, would be a massive undertaking from a policy perspective, we will have to wait and see if they get the commensurate attention from decision makers.

- **Discriminatory Reimbursement**—Speaking of carveouts, last year’s implementation of the Fee-for-Service Carveout of the Medicaid Drug Benefit drew major attention to arcane but critically important Federal 340B Drug Program, a complex program that allows participating safety net providers or “covered entities” such as hospitals, federally qualified health centers, and other clinics and community based organizations to utilize revenues from prescription drugs sales to fund wrap around services that improve patient outcomes. The FFS Carveout could have led to major a cut in these revenues for safety net entities. However, the Department of Health and specifically Medicaid Director Amir Bassiri, worked tirelessly to ensure that impact was minimized and these stakeholders were made whole and able to continue to provide care to Medicaid populations, ultimately creating a “340B Reinvestment Fund” that covered these providers losses. Advocates are focus on commercial/private insurance, and that is what covered entities want to target this session. Assembly Health Chair Amy Paulin has introduced the “340B Prescription Drug Anti-Discrimination Act” which would limit discriminatory practices by Pharmacy Benefit Managers in commercial insurance, driving another major revenue source to safety net providers.
- **Implementing the 1115 Waiver & the Next Phase for Healthcare Delivery in New York State**—The next iteration of New York’s 1115 Medicaid Redesign Team (MRT) Waiver—which has operated since 1997 and has allowed the State to implement its managed care program—is currently in final negotiations with the Federal Centers for Medicaid and Medicare Services and will likely be approved over the next couple of weeks. The next iteration of the 1115 Waiver will have expansive changes to safety healthcare and Medicaid Administration in New York State—including a statewide Health Equity Regional Organization (HERO) that will collaboratively support broader functions of healthcare administration ranging from value based payment design and development, to program evaluation, to regional needs assessment and planning; a new primary care delivery system model; and the introduction of regional Social Care Networks (SCN) which will serve as the lead for each region on Health Related Social Needs (HRSN)—like housing, transportation, and nutrition. Once CMS approves the waiver extension, expect a mountain of health policy in the budget process and throughout legislative session.

Banking, Financial Services, & Consumer Protection

- **Artificial Intelligence**—As AI and machine learning continue to advance at an exponential pace, policy makers in Washington and in State Legislatures across the Country are grappling with how to approach the ever-expanding list of use cases, products, and services. New York is no different and we expect there to be a lengthy conversation on proposals ranging from a State-level proposal



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

to limit bias in Automated Employment Decision Tools (on the heels of Local Law 144 in New York City), legislation creating a State Commission to study artificial intelligence and future regulation—which was vetoed in November but will be reintroduced, and a bill to create a State Office of Algorithmic Innovation. While those bills all vary in priority, the one thing you can be certain of this year and in Legislative Sessions for the foreseeable is that the State's role in regulating AI will come into focus.

- **Data Privacy**—Five States—Colorado, California, Virginia, Connecticut, and Utah—have enacted consumer privacy data laws. California's Privacy Rights Act of 2020 (CPRA) and California Consumer Privacy Act of 2018 (CCPA) led the way, and most companies have developed standards to comply with it on a national level. That proves more precarious for smaller companies who have not adjusted to those standards, however. New York has had a proposal of its own since May 2019, the New York Privacy Act, which would make it one of the most comprehensive in the Country. The bill passed the Senate for the first time last year, and will likely get some serious traction this session. In 2021, Governor Cuomo proposed his own data privacy bill, the New York Data Accountability and Transparency Act, in the Executive Budget. Many consumer advocates said that proposal did not go far enough. Expect the annual discussion to continue this year, but Senate Sponsor and thought leader Kevin Thomas's run for Congress may hamper that advancement slightly.
- **Fintech Regulation**—The financial tools available to New Yorkers continues to rapidly expand and the Legislature, the Governor, and the Department of Financial Services continue to grapple with what their role should be in regulating these industries; continued challenges to the Consumer Financial Protection Bureau (CFPB)'s constitutionality could increase the State's role in these conversations. A proposal from Assembly Member Ron Kim to establish a regulatory sandbox for financial technology has not been reintroduced since 2022. However, more targeted proposals, like a bill to regulate the growing Earned Wage Access industry, —on the heels of enacted bills in Nevada and Missouri—will likely get serious consideration.
- **Expanding Access for the Unbanked and Underbanked**—Legislative Banks Committee Chairs Assembly Member Pam Hunter and Senator James Sanders have broadly prioritized increasing access to the financial system of the unbanked and underbanked communities. We will see them continue to advance bills and focus on policies increasing access, including the New York Public Banking Act, and legislation that would study the utilization of state government payments as an opportunity to transition unbanked and underbanked residents into the banking system.

Housing

- **421a Replacement**- This program provided tax breaks to developers to incentivize the construction of affordable housing, however, the Legislature let the program lapse over efficacy concerns and shot down a proposal from the Governor to replace the program. Tenant advocates and landlord groups were incredibly disappointed by the failure of the Governor and the



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

Legislature to enact any significant reforms to the ongoing housing challenges facing New York State in the 2023 Legislative Session outside of the Budget process and it remains to be seen how much political capital the Governor is willing to invest in housing reforms.

- **Good Cause Eviction-** Good Cause Eviction has long been a priority for housing advocates in Albany. The bill, which would limit when a landlord can evict a tenant and place caps on rent increases, has been a point of contention between Governor Hochul and the Legislature. Last year, Hochul proposed an ambitious housing plan to build 800,000 units in the next decade, but Progressives sourced on the plan over a lack of tenant protections.

Energy & the Environment

- **Extended Producer Responsibility (EPR)**—Extended Producer Responsibility—or the policy approach that gives producers financial and operational responsibility for covered products including paper products, beverage containers, and other packaging—is rapidly becoming a nationwide priority. Four States—California, Colorado, Maine, and Oregon—have enacted legislation creating an EPR program. It has been at the forefront of policy issues in New York State for several sessions now, and a proposal in last year’s Executive Budget died out in the April/May end of budget morass. It was again at the forefront at the end of Legislative Session in June. The Environmental Conservation Chairs—Senator Pete Harckham and Assembly Member Debbie Glick—hosted a hearing in October to talk through their iteration of EPR—“the Packaging Reduction and Recycling Infrastructure Act”—and receive testimony to continue to hone in on a proposal for this year’s session. Expect it to be a major topic of conversation in this year’s Budget Process and Legislative Session.
- **Next Steps on the Climate Leadership & Community Protection Act (CLCPA)**—2019’s landmark CLCPA will require the Public Service Commission to review by July 1, 2024 progress in meeting targets on greenhouse gas emissions reductions and renewable energy. Expect decision makers to continue to push expedited implementation of renewable energy projects and greenhouse gas emissions across the State. Last year’s final budget included aggressive proposals like Cap & Invest, the New York Build Public Renewables Act. The discussions on how best to continue to incentivize development of renewables, future offshore wind solicitations, as well as how to update the grid to continue to take up a lot of real estate within the Legislature and the Executive’s bandwidth.

Gaming

- **iGaming**—Senate Gaming Chair Joe Addabbo has said he plans to introduce and prioritize a new proposal to legalize, tax, and regulate online interactive casino gaming or “iGaming” in New York State in the 2024 Legislative Session. Some estimates have a fiscal impact of upwards of \$1 billion in desperately needed revenue for the State a year. Addabbo says the legislation is



2024

LEGISLATIVE PREVIEW

O'DONNELL & ASSOCIATES

especially critical because currently NYS is losing iGaming business to neighboring States like Pennsylvania and New Jersey where it is currently legal.

- **NYC Casinos**—National gaming brands are eyeing an expansion into the Big Apple and are jockeying for one of the three casino licenses up for grabs in the area. Once state gaming regulators finish processing the second round of public questions, entities can begin submitting formal applications. Those applications must be endorsed by the local 6-member Community Advisory Committee (CAC), with Mayor Eric Adams, Gov. Kathy Hochul, the borough president and the local state senator, assemblymember and councilmember each picking one member.
- **Seneca Compact**— After failing to come to an agreement on a long-term gaming compact ahead of the December 9th deadline, Governor Hochul and the Seneca Nation of Indians announced a short-term extension of the current agreement through March 31st, 2024. At the heart of the negotiations is the value of the exclusive gaming rights the Seneca's currently maintain west of State Route 14, and how much of that revenue they owe to the State. Under the current compact, it is 25%.

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