Legislation Details (With Text)

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Title:	Resolution calling on the New York State Legislature to pass, and the Governor to sign, A.6962/S.631, in relation to the use of MWBE investments for New York State and New York City pension funds.			
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Attachments:	1. Res. No. 472, 2. June 20, 2024 - Stated Meeting Agenda, 3. Hearing Transcript - Stated Meeting 6-20-24, 4. Minutes of the Stated Meeting - June 20, 2024			

Date	Ver.	Action By	Action	Result
6/20/2024	*	City Council	Introduced by Council	
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Res. No. 472

Resolution calling on the New York State Legislature to pass, and the Governor to sign, A.6962/S.631, in relation to the use of MWBE investments for New York State and New York City pension funds.

By Council Members Williams, Stevens, Riley, Brooks-Powers, Avilés, Farías, Banks, Gutiérrez, Brannan, Ossé and De La Rosa

Whereas, In the aftermath of the Supreme Court's rejection of affirmative action at America's colleges and universities, and the villainization of diversity, equity, and inclusion initiatives (DEI) by political conservatives, there has been reversion on corporate diversity initiatives at America's financial firms; and

Whereas, In May 2024, Bloomberg News reported that Goldman Sachs, Bank of America, and Bank of New York Mellon Corp., have all reconsidered their workforce diversity metrics to avoid accusations of reverse discrimination amid fears of litigation from white employees; and

Whereas, Wall Street has long skewed white and male; and

Whereas, At Citigroup, only 8.7% of senior U.S. executives are Black, compared to 5% at JPMorgan

Chase & Co, and 3.7% at Goldman Sachs; and

Whereas, These stark disparities only underscore the importance of New York State Senate bill S.631, sponsored by Senator Leroy Comrie, and New York State Assembly companion bill A.6962, sponsored by Assembly Member Alicia Hyndman, which would expand the participation and contracting of Minority and Women-Owned Business Enterprises (MWBEs) in relation to New York State and New York City pension funds; and

Whereas, If passed, this legislation would require public officials charged with managing public pension funds to utilize MWBE financial services firms, MWBE asset managers, or MWBE financial institutions for the investment of no less than 20 percent of the total dollar amount of such pension fund under management, which would encourage greater economic diversity across New York State; and

Whereas, In seeking contractors to manage and administer such funds, this legislation would require such officials to prefer MWBE enterprises, or businesses that are at least 51 percent owned by a veteran or veterans or a person or persons with a disability, or businesses that have a record of support for increasing diversity and inclusion in board membership, management, employment, philanthropy, and supplier diversity; and

Whereas, This legislation would mandate that trustees report on their MWBE participation and utilization, fostering a culture of openness and fairness in investment practices; and

Whereas, This legislation would promote transparency in contracts and investment searches between trustees and MWBE entities, ensuring that MWBEs have fair opportunities to compete for contracts and investment opportunities; and

Whereas, By supporting MWBEs, this legislation would facilitate entrepreneurship, business growth, and job creation within underrepresented communities, reducing the gender and racial wealth gap; and

Whereas, This legislation would diversify the investments New York City's five public pension systems; and

Whereas, The New York City Comptroller serves as a trustee and custodian for the funds that contain over $250 billion in assets and represent the retirement security of 750,000 public servants; and

Whereas, Once implemented, the variation preferred under this legislation would improve the resiliency of these funds and mitigate the risks associated with a homogenous investment portfolio; and

Whereas, This legislation draws on the success of similar legislation enacted in Illinois, where there was a sixtyfold increase in assets brokered by diverse firms over a 4-year period, demonstrating the potential impact of this legislation to drive positive outcomes for MWBEs; and

Whereas, By expanding opportunities for MWBE asset managers, financial institutions, and professional service firms to participate in managing New York State and New York City pension funds, A.6962/S.631 would foster economic diversity, which is crucial for the vitality and growth of New York City's economy; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, A.6962/S.631, in relation to the use of MWBE investments for New York State and New York City pension funds.

EA
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5/17/24