



Legislation Text

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Res. No. 288

Resolution calling upon the State Legislature and the Governor to enact legislation designed to bring transparency to the functioning of State Authorities, which under current law are too often able to operate in secrecy and without meaningful oversight and accountability to taxpayers and elected officials.

By Council Members Liu, Brewer, Fidler, Gennaro, Gerson, James, Nelson, Reed, Rivera and Comrie

Whereas, According to the State Comptroller, there are over 50 authorities in the State of New York that conduct public business and issue much of the debt paid for by taxpayers, yet because of their status as authorities are able to evade public scrutiny and accountability; and

Whereas, Over the last two years, a string of incidents have occurred, ranging from the indictment of the New York Racing Authority on tax evasion charges, to the charges and ensuing litigation against the Metropolitan Transportation Association (MTA) for its bookkeeping and budgeting practices, which many believe resulted in an unnecessary fare increase; and

Whereas, According to a recent investigation by the State Comptroller into the power and lack of accountability of State public authorities, there are numerous other examples of mismanagement or corruption among public authorities, including the hiring by the Long Island Power Authority of a chief financial officer who was paid almost \$600,000 for 14 months' work and the construction by the MTA of elevators that should have cost about \$700,000 for \$6 million; and

Whereas, In April 2004, the State Comptroller and Attorney General released the findings of a survey of 212 State public authorities and two international or bi-state authorities, announcing that the public authority debt exceeds \$114.6 billion and that the State-supported component of this figure amounts to 90% of New York State's total debt; and

Whereas, This same survey revealed that although the 44 public authorities that report procurement activity to the Comptroller's Office awarded 11,270 contracts worth over \$10.5 billion in 2002 alone, the Comptroller's Office only had the authority to review 100 of the 11,270 contracts; and

Whereas, At least 35 business, civic, environmental, labor, good government and other organizations have joined the State Comptroller and Attorney General in urging wide-scale reform of the State's public authorities; and

Whereas, Numerous pieces of legislation to improve public authorities have been introduced in the State Legislature including A 09012, which would create a Public Authorities Independent Budget Office to which public authorities would be required to submit their budgets and quarterly financial information, and which would have the authority to question these submissions and require the production of additional information that would be shared with local governments, officials and advocate groups interested in the authorities' functioning; and

Whereas, In addition, A 09010, which has been introduced and passed by the Assembly, would require each authority or public benefit corporation to set up a central procurement office through which such authority's contracting would be conducted and which would maintain information on the authority's procurements and make this information available to the public, and S 012008, which has been introduced in the Senate, would create an MTA oversight committee whose membership would include a regular transit rider, and which would be charged with reviewing the MTA's proposed budget and financial records, and

Whereas, The State Comptroller has also proposed extensive legislation to classify and name public authorities, mandate strengthened corporate governance, improve procurement practices, expand lobbying disclosure, create a commission on public authority reform, and foster public authority oversight responsibility; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature and the Governor to enact legislation designed to bring transparency to the functioning of State Authorities, which under current

law are too often able to operate in secrecy and without meaningful oversight and accountability to taxpayers and elected officials.