



Public Authority Reform

Reining in New York's Secret Government

FEBRUARY 2004

New York State
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Introduction

The objective of public authorities is to finance, construct and operate revenue-producing facilities for the public benefit, to assist the public sector with projects intended to spur economic development, to provide financial support for non-profit sector projects that serve public needs and/or to coordinate the development or management of resources that transcend traditional political boundaries. The benefits of public authorities include their ability to finance public improvements without increasing taxes, to assess fees on users to cover the costs of construction or operation, to avoid the use of broad-based dedicated revenue streams, to finance the public takeover of private enterprises, to remove entities and associated operations from the direct control of elected officials, and to provide a more flexible management environment than is typical of government.¹

Many of New York's public authorities, including some created decades ago, embody the positive attributes of this definition. Unfortunately, the good work of select public authorities is eclipsed by the irresponsible actions and mismanagement of resources by others.

The Office of the State Comptroller has been holding authorities accountable for their actions through audits and financial reviews. These efforts to shed light on public authority operations will continue as audits are conducted at all of the State's major public authorities during the coming years. Already, the efforts of the Office of the State Comptroller have produced some meaningful reforms in the budget process at the Metropolitan Transportation Authority, internal controls at the Long Island Power Authority, progress toward the appointment of an Independent Private Sector Inspector General for the New York Racing Association and the cancellation of a contract governing the sale of exclusive development rights along the New York State Canal for \$30,000.

Concerns regarding public authority operations are not new; many of the issues we are examining today have been discussed in a dozen or more reports issued by blue-ribbon committees, State agencies or the Legislature. In these reports, public authorities have been referred to as the fourth branch of government and an underground government.

In 1956, the Temporary State Commission on Coordination of State Activities² issued a staff report on public authorities (Hults Report), which included 200 recommendations for authority reform. The report reflected a review of every public authority active in New York State at the time, and several of its recommendations were included in draft legislation introduced during the 1956 legislative session. Two of nine reform bills became Chapters

¹ Office of the State Comptroller, *Study No. 4, Public Authorities in New York State: A Financial Study, Comptroller's Studies for the 1967 Constitutional Convention*, June 1967, citing the *Report of the Temporary State Commission on Coordination of State Activities*, 1956.

² Senator William S. Hults served as Chairman of the Commission, created in 1946 and known as the "Coordinated Commission" and was viewed as a continuing "Little Hoover Commission." (See page ix of *Temporary State Commission on Coordination of State Activities: Staff Report on Public Authorities Under New York State*, March 21, 1956.)

215 and 557 of the Laws of 1956, the first strengthening the Governor’s review of actions by the Port Authority, and the second eliminating 13 of the 53 public authorities that had been created in New York State.

The Hults Report referred to public authorities as “one of the most significant developments in modern governmental administration.” The report further noted that the growth of public authorities in New York State had reached “the point where it has become necessary to ‘take stock’ of it and to give consideration to its future development so that it may best serve the needs of government and the people.”³

The Hults Report includes a list of 33 public authorities identified as active in New York State as of January 1, 1956.⁴ In 1990, when the Commission on Government Integrity issued its “Preliminary Report on Authorities and Other Public Corporations,” it noted: “At present, so far as Commission staff has been able to determine, no one has even an approximate count of how many of these organizations exist, where they are, much less an accounting of what they do.”⁵ Today, when subsidiary corporations are included, the Comptroller’s Office concludes that New York State has more than 640 State and local authorities.

While initially they were established for the construction of major regional public works projects, in the 1960s public authorities were established to finance housing and urban development initiatives without the need for a statewide referendum. From the 1970s to the present, a number of public authorities have been established with the sole purpose of issuing debt on behalf of the State or local governments. At the State level, 17 public authorities accounted for \$105 billion in outstanding debt at the end of 2002—including about \$34 billion in State-supported debt.

In the last two decades alone, the amount of public authority debt issued with State support has grown significantly. Today, authority debt accounts for more than 90 percent of all outstanding State-supported debt, up from 60 percent in 1985. According to the five-year Capital Plan issued with the Executive Budget in January 2004, authority debt will grow to account for 93 percent of outstanding State-supported debt by 2008. Over the life of the Capital Plan, public authority-related debt service costs are expected to increase over 60 percent, from \$2.9 billion in 2003-04 to \$4.6 billion in 2008-09.

Debt-related financial transactions of 11 public authorities are subject to review by the Public Authorities Control Board, and the issuance of debt by some entities is subject to a limit set by the State Legislature.⁶ In addition, most of New York’s major public authorities

³ Temporary State Commission on Coordination of State Activities, *Staff Report on Public Authorities Under New York State*, March 21, 1956, p. 3.

⁴ The list of 33 excludes the 13 authorities eliminated in Chapter 557 of the Laws of 1956, as well as 7 other entities considered inactive, superseded or repealed. Subsequent reports cite as many as 90 State and local public authorities in 1956.

⁵ New York State Commission on Government Integrity, *Underground Government: Preliminary Report on Authorities and Other Public Corporations*, April 1990. In a footnote, the report cites a 1985 Local Government Handbook published by the Governor’s Office as identifying “46 truly statewide or regional authorities” and “about 529 local authorities.”

⁶ As public authorities reach their limit on the amount of bonds that can be issued for a specific program, legislation is needed to statutorily increase the cap. Passage of legislation raising debt caps is routine.

are required to submit annual reports on their finances to the Governor, Legislature and the State Comptroller. Annual budgets of public authorities are subject to review and approval by each entity's Board of Directors.

Although the appearance of review exists for some of New York's public authorities, the rules are diverse and the degree of scrutiny varies. As a result, New York's more than 640 public authorities and their subsidiaries are unaccountable to the government or the people of New York State.

New Yorkers pay for public authorities in the form of rates, tolls or fees, and our taxes offset authority-related tax exemptions and pay the debt service on authority-issued debt. Yet, New Yorkers are denied the traditional consumer avenues of protest. In most cases, New Yorkers have no choice but to use authority facilities, and they do not have direct control over how their tax dollars might be used in response to authority decisions. These corporations have no stockholder meetings or proxy votes—the people of New York must rely on their government to keep these entities in check.

As a consequence of the lack of accountability for the vast majority of the public authorities, a culture of arrogance pervades these entities. Efforts by the State Comptroller to audit authority finances or initiatives, as well as legislative questioning of authority decisions, are met with resistance. New Yorkers, who bear the ultimate responsibility for authority finances, are most likely to learn about these entities when the results of official efforts or reports of malfeasance are reported by the media.

The time for meaningful reform to increase accountability, deter misconduct and reduce waste and inefficiency at the more than 640 public authorities and subsidiary corporations in New York State has come.

The Evolution of Public Authorities in New York State

Public authorities are quasi-governmental agencies created with a specific mission to further one or more public purposes. New York was one of the first states to establish a public authority and, at the time of the Hults Report, had already been one of the most active in the creation of new authorities.⁷

New York's oldest authority dates back to 1921 when, following the recommendation of a bi-state commission, the Port of New York Authority was created to coordinate terminal, transportation and other facilities of commerce for approximately 900 miles of waterfront in both states. The name was changed to the Port Authority of New York and New Jersey in 1972 to reflect the joint administration of the port.⁸

In the two decades following the creation of the Port Authority, New York created 28 additional public authorities, including 7 that still exist today: the Power Authority of the State of New York (1931), New York State Bridge Authority (1932), American Museum of Natural History Planetarium Authority (1933), Buffalo and Fort Erie Public Bridge Authority (1933), Industrial Exhibit Authority (1933), the Buffalo Sewer Authority (1935) and the Niagara Falls Bridge Commission (1938).

Eleven public authorities were created in 1933 alone, including the Bethpage Park Authority, Jones Beach State Parkway Authority, the Triborough Bridge Authority and the Marine Parkway Authority. Robert Moses was in charge of all of these authorities, as well as other city and State entities governing major roads and parks in the New York Metropolitan area. Moses is credited with maximizing the use of public authorities to shape "New York and its suburbs in the image he personally conceived." According to author Robert Caro: "Operating through an authority, Moses could keep the public from finding out what he was doing." He was allowed to amass this power because the public and the press were confident he would not abuse it.⁹

Public authority reform was a subject of discussion during the 1938 Constitutional Convention. The Constitutional Convention Committee expressed concern over both State liability for public authority debt and whether authority operations might unnecessarily duplicate the work of traditional State agencies. The Joint Legislative Committee on State Fiscal Policies expressed similar concerns and recommended repeal of general laws authorizing localities to establish authorities. Since 1938, the State Constitution has required that public authorities be created by a special act of the Legislature. The constitutional amendment also prohibited authorities created subsequent to its adoption from having the

⁷ Temporary State Commission on Coordination of State Activities, *Staff Report on Public Authorities Under New York State*, March 21, 1956, p. 5.

⁸ *The Columbia Electronic Encyclopedia*. Columbia University Press.
<<http://reference.allrefer.com/encyclopedia/P/PortAuth.html>> 2003.

⁹ Caro, Robert A. *The Power Broker: Robert Moses and the Fall of New York*. 1974.

power both to levy taxes and issue bonds. No public authorities were created in New York State during the two years following the amendment.¹⁰

From 1941 until the review of authorities by the Temporary State Commission that produced the Hults Report in 1956, another 24 public authorities were created. Fifteen of the authorities created during this period are in operation today: the Dormitory Authority (1944), Nassau County Bridge Authority (1945), Triborough Bridge and Tunnel Authority (which combined the functions of the Triborough Bridge Authority and New York City Tunnel Authority in 1946), White Plains Parking Authority (1947), Elmira Parking Authority (1948), Syracuse Parking Authority (1948), Erie County Water Authority (1949), Peekskill Parking Authority (1949), Monroe County Water Authority (1950), New York State Thruway Authority (1950), Ogdensburg Bridge Authority (1950), Genesee Valley Regional Market Authority (1950), Onondaga County Water Authority (1951), New York City Transit Authority (1953) and Oswego Port Authority (1955).

During this post-war period, many local authorities were created to avoid stressing the tax base. The development of local parking authorities during this period reflected the need to construct off-street facilities in rapidly growing business and shopping areas.¹¹

A constitutional amendment passed in 1951 provided, for the first time, for the State to guarantee bonds of an authority up to \$500 million. The Thruway Authority took advantage of this provision in 1953, issuing \$250 million in bonds guaranteed by the State.¹²

In 1967, as part of a series of studies for the Constitutional Convention, the Office of the State Comptroller provided a financial analysis of 31 public authorities in New York State. The 31 authorities studied included 9 created since the release of the Hults Report in 1957. Five of these newer authorities continue to operate today: the Housing Finance Agency (1960), the Metropolitan Commuter Transportation Authority (created in 1965, which along with the Manhattan and Bronx Transit Authority created in 1962, and others previously created, became the Metropolitan Transit Authority in 1968), the New York Job Development Authority (1961, which was administratively consolidated with the Urban Development Corporation and other economic development entities in 1995) and the State University Construction Fund (1963).

The report noted:

During the ten years since the issuance of the [Hults] Commission's report, public authorities have grown in size and number, and have somewhat changed in character... In the newer financial-type authority, the authority finances the construction of facilities but does not operate the facility, and

¹⁰ Temporary State Commission on Coordination of State Activities, *Staff Report on Public Authorities Under New York State*, March 21, 1956, pp. 27-28.

¹¹ *Ibid.*, pp. 30-31.

¹² *Ibid.*, p. 34.

derives its revenue through lease-purchase payments made by the State out of earmarked revenue.¹³

This represented a significant development in the evolution of the public authority in New York State. An example is the Community Facilities Project Guarantee Fund, created in 1969 to guarantee loans made by HFA and lending institutions for the construction, improvement and furnishing of day care facilities, as well as to guarantee loans for residential child care facilities and senior citizen centers.

Other authorities established during this period, which continue to function today, reflect the varied uses for which public authorities were created:

Authority	Year Created
Battery Park City Authority	1968
Natural Heritage Trust	1968
Rochester-Genesee Regional Transportation Authority	1969
Capital District Transportation Authority	1970
Central New York Regional Transportation Authority	1970
Environmental Facilities Corporation	1970
State of New York Mortgage Agency	1970
State of New York Municipal Bond Bank Agency	1972

A 1972 Comptroller’s study on issues in public finance raised the question as to whether, given the degree of economic interdependence between the State and its public authorities, the statewide public authorities represented a “fourth branch of government.” The report attributed the ability to assess fees to finance operations as one of the principal factors in the creation and growth of public authorities as government instrumentalities. It noted the mixed results of authorities in being able to finance operations without “hard dollar”¹⁴ appropriations or some other form of continuing State assistance. Further, the report addressed the concept of “moral obligation” bonds where the financial community regards the State as ultimately responsible, noting: “Depending upon the circumstances, a variety of conditions either have occurred or may occur, resulting in expenditures being borne by the taxpayer—thus negating one of the traditional authority concepts. The support of an authority in the initial stages may be necessary—even desirable. Continuing assistance, however, indicates the inability of the authority to be self-sufficient.”¹⁵

Only a year after the Comptroller’s study was released, trouble began at the Urban Development Corporation (UDC) that ultimately offered a dramatic illustration of the financial interdependence between authorities and the State. The financial stability of the UDC came into question, and the threat of its financial collapse resulted in higher borrowing

¹³ Office of the State Comptroller, *Study No. 4, Public Authorities in New York State: A Financial Study, Comptroller’s Studies for the 1967 Constitutional Convention*, June 1967, p. 2.

¹⁴ “Hard dollar” or “hard cash” assistance is defined as coming out of current revenue or bond funds.

¹⁵ Office of the State Comptroller, *New York State Comptroller’s Studies on Issues on Public Finance, Statewide Public Authorities: A Fourth Branch of Government?* November 1972.

costs for all governmental entities in New York State.¹⁶ A Moreland Act Commission was established in 1975 when UDC was unable to meet its financial obligations and the State's credit suffered. The Moreland Act Commission report issued in 1976 concluded that:

The introduction of the moral obligation concept by the HFA in 1960 for housing projects, the explosive expansion of the HFA role beyond housing to hospitals, universities and mental institutions in the 1960's, and the extension of the moral obligation concept to UDC in 1968, resulted in a vast accumulation of financial risks for the State of New York. Not only was there a build-up of billions of dollars of moral obligation bonds, but also when UDC came on the scene it embarked on projects inherently more risky than those undertaken by HFA and financed by these moral obligation bonds. These projects, incidentally, were thought by private enterprise to be too risky to be undertaken without operating subsidies.¹⁷

Legislation enacted in 1976 capped the amount of moral obligation debt that various public authorities and agencies could issue. Also in 1976, the Public Authority Control Board (PACB) was established in law. Apparently, New York had begun to recognize what author Annmarie Hauck Walsh later observed: that with regard to public authorities, political officials have relied on financiers, whom they perceive to be conservative, to exercise fiscal caution. But without external restraint, she continued, "current borrowing determines larger and larger portions of future allocations of resources."¹⁸

¹⁶ Briefing Paper on Public Authorities Prepared for The Assembly Majority Task Force on Public Authority Oversight, January 26, 1993.

¹⁷ A Report to the Governor by the New York State Moreland Act Commission on the Urban Development Corporation and Other State Financing Agencies, *Restoring Credit and Confidence: A Reform Program for New York State and Its Public Authorities*, March 31, 1976.

¹⁸ Walsh, Annmarie Hauck. *The Public's Business: The Politics and Practices of Government Corporations*. MIT Press. 1978.

Still, from the mid-1970s to the present, 15 major public authorities have been created:

<i>Authority</i>	<i>Year Created</i>
New York State Energy Research and Development Authority	1975
New York State Project Finance Agency	1975
Empire State Plaza Performing Arts Center Operating Corporation	1979
New York Convention Center Operating Corporation	1979
New York State Olympic Regional Development Authority	1981
Agriculture and New York State Horse Breeding Development Fund	1983
New York State Thoroughbred Breeding and Development Fund Corporation	1983
New York State Thoroughbred Racing Capital Investment Fund	1983
Roosevelt Island Operating Corporation	1984
Long Island Power Authority	1986
Homeless Housing Assistance Corporation	1990
New York State Local Government Assistance Corporation	1990
New York State Theater Institute Corporation	1992
Executive Mansion Trust	1993
Roswell Park Cancer Institute Corporation	1997

In the last few years, the pace of public authority creation has continued with the establishment of authorities to finance local government deficits and to take over county-operated medical centers.

Public Authorities in New York

There is no single resource for information about all public authorities currently operating in New York State. Through a great deal of research, the Office of the State Comptroller has identified more than 640 public authorities and subsidiary corporations created to serve State, local or regional purposes. Development of this list required careful review of State laws and legislative histories, municipal filings submitted to the Office of the State Comptroller, State Financial Services and reports from past commissions and committees. A complete listing of public authorities can be found in Appendix A.

The term public authorities can be used to describe both public benefit and not-for-profit corporations.¹⁹ Public benefit corporations are established by an act of the State Legislature. The enabling legislation defines the entity's purpose and powers and governs appointments to the Board of Trustees or Board of Directors.

- **State Public Benefit Corporations** are charged with a statewide or significant local or regional purpose. The Governor usually appoints the majority of Board members. Local officials and State legislative leaders may also have appointing authority.
- **Subsidiary Corporations** are established by State public benefit corporations; for example, the Lower Manhattan Development Corporation is a subsidiary of the Empire State Development Corporation.
- **Interstate/International Public Benefit Corporations** are jointly established by New York State and another jurisdiction. Both jurisdictions are responsible for appointing board members, and both jurisdictions must act to redefine the public benefit corporation's purpose or powers.
- **Local Public Benefit Corporations** include industrial development agencies, housing authorities, parking authorities, sewer and water authorities, and other entities established for local or regional purposes. Elected local government officials appoint their board members.

Some corporations established pursuant to the Not-For-Profit Corporation Law also function as public authorities.

- **Closely Affiliated Not-For-Profit Corporations** exist to serve the purposes of government. They are founded by State agencies (Health Research Inc., Research Foundation for SUNY) or by statute (Charitable Asset Foundation, New York State Wine and Grape Foundation).

¹⁹ The Public Authority Reform Act of 2004, proposed by State Comptroller Alan G. Hevesi, includes a definition of public authority.

- The New York Racing Association is a **Not-For-Profit Corporation with an Exclusive Franchise** to operate the State’s major thoroughbred racetracks.

Dozens of commissions, boards and advisory councils may resemble public authorities in some ways, but most are part of the Executive branch of State government or part of a local government. At the State level, they are funded through the annual budget process, and their payments, contracts and payrolls are pre-audited by the Comptroller.

Based on the various functions, the Office of the State Comptroller has grouped the more than 640 public authorities identified into the following four classes:

Class	Description	Number
A	Major public authorities with statewide or regional significance and their subsidiaries	169
B	Entities affiliated with a State agency, ²⁰ or entities created by the State that have limited jurisdiction but a majority of Board appointments made by the Governor or other State officials	43
C	Entities with local jurisdiction	425
D	Entities with interstate or international jurisdiction and their subsidiaries	6

Please see Appendix A for a listing of public authorities by category.

The 2004-05 Executive Budget proposed the establishment of a new public authority, the New York Institute of Cultural Education. This proposal would move the operations of the State Archives, the State Library and the State Museum out of the State Education Department and into this new authority, shifting all costs associated with these operations out of the State budget. To move these expenses off-budget would limit the public accountability to which these entities are currently held. The Executive Budget further proposes the establishment of the Harriman Campus Development Corporation to redevelop and promote the State campus complex, but offers no detail about the new corporation.

Also proposed in the 2004-05 Executive Budget is a restructuring of three SUNY Health Science Centers—Brooklyn, Stony Brook and Syracuse—into private not-for-profit corporations. These corporations, like public authorities, would operate independently from the State with little or no oversight over contracts, staffing, governance and spending. Under this proposal, the SUNY hospital debt eventually could be removed from the State debt cap.

²⁰ Primarily in the 1950s and early 1960s, non-profit entities were created to extend the activities of State agencies. For example, the Research Foundation of the State University of New York, established in 1951, is a not-for-profit corporation that raises funds, promotes research, and administers gifts and grants that support the educational activities of SUNY.

Public Authority Debt

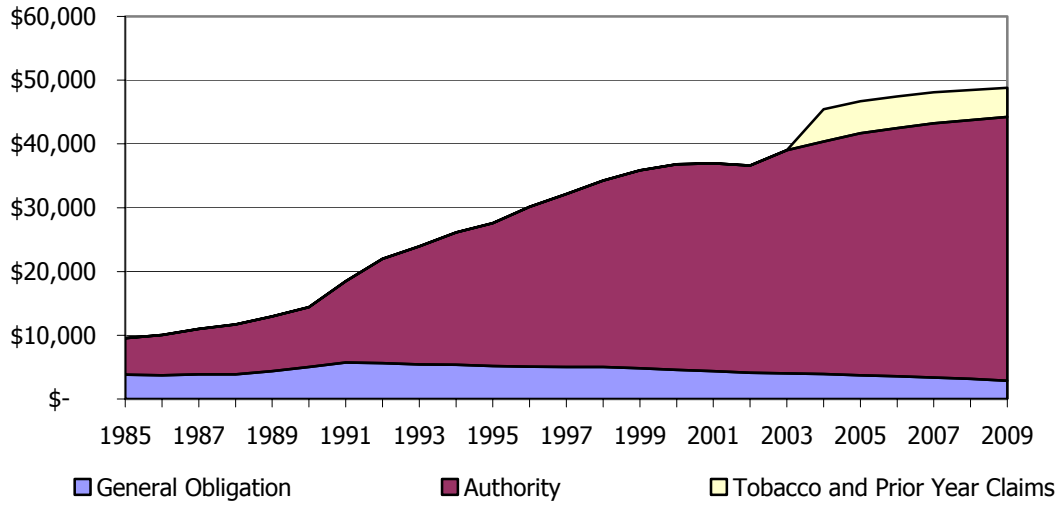
Public authorities have the power to levy user fees and charges, but not taxes. Most public authorities have the ability to borrow funds by issuing debt. While their debt typically is not subject to State or local debt limits, it may be limited by statutory bond caps. These caps typically apply to a specific purpose for which an authority issues debt and are increased as additional capital is needed.

Most public authority debt is issued for the authorities' own purposes. Public authorities also issue State-supported debt, subject to the overall statutory limits established in section 67-a of the State Finance Law, which provides resources to the State's Capital Plan.

As of December 31, 2002, public authorities with over \$100 million in outstanding debt held more than \$105 billion in total debt (of which approximately \$34 billion is State-supported), an increase of \$25 billion since December 31, 1997. Outstanding debt held by these authorities that is not State-supported (\$72 billion) is used for projects that are self-financed with user fees or tolls (such as bridge and tunnel) or from rents or charges to users (such as housing or power).

As of March 31, 2003, the level of outstanding State-supported authority debt had increased to an estimated \$35.4 billion (approximately 90 percent of total outstanding State-supported debt) from \$5.7 billion in 1985 (60 percent of total State-supported debt). The Capital Plan included in the 2004-05 Executive Budget projects significant growth in State-supported authority debt, which is expected to account for more than 93 percent of State-supported debt outstanding in 2008-09. Over the life of the Capital Plan, public authority-related debt service costs increase over 60 percent, from \$2.9 billion in 2003-04 to \$4.6 billion in 2008-09.

Outstanding State-Supported Debt – 1985-2009²¹
(in millions)



Note: 2004-2009 General Obligation and Authority debt is as proposed in the 2004-05 Executive Budget.

²¹ This graph illustrates State authorized and/or issued debt (more than \$5 billion) that the Capital Plan does not recognize as State-supported debt. The State issued, through the Tobacco Settlement Financing Corporation (TSFC), a subsidiary of the Municipal Bond Bank Agency, approximately \$4.6 billion in debt backed by the sale of the State's share of the revenues resulting from the 1998 Master Settlement Agreement to TSFC.

The following chart illustrates the vast amount of debt concentrated in 17 authorities:

**NEW YORK STATE PUBLIC AUTHORITIES WITH OVER \$100 MILLION IN DEBT
TOTAL BONDS, NOTES AND OTHER INDENTURES
December 31, 2002
(in thousands)**

	Total Debt	Non State-Supported	State-Supported
Dormitory Authority of the State of NY	\$30,189,504	\$17,615,995	\$12,573,509
Metropolitan Transportation Authority	10,774,570	8,379,365	2,395,205
Port Authority of New York & New Jersey	9,334,708	9,334,708	0
Long Island Power Authority	7,554,947	7,554,947	0
NYS Thruway Authority	9,008,453	1,594,398	7,414,055
Triborough Bridge & Tunnel Authority	6,266,940	5,950,535	316,405
Urban Development Corporation	5,697,622	557,335	5,140,287
Local Government Assistance Corporation	4,527,340	0	4,527,340
Housing Finance Agency	5,241,554	4,304,742	936,812
State of NY Mortgage Agency	3,956,092	3,956,092	0
NYS Environmental Facilities Corporation	5,248,776	4,815,186	433,590
NYS Energy Research & Development Auth.	3,952,555	3,897,395	55,160
Power Authority	2,607,975	2,607,975	0
Battery Park City Authority	663,020	663,020	0
Niagara Frontier Transportation Authority	184,592	184,592	0
NY Job Development Authority	110,420	110,420	0
United Nations Development Corporation.	135,863	135,863	0
			0
TOTAL	\$105,454,931	\$71,662,568	\$33,792,363

Does not include Municipal Assistance Corporation for New York City, New York City Transitional Finance Authority, TASAC, Samari Funding and Tobacco Settlement Finance Corporation (TSFC).

The information below illustrates the variety of State projects funded through debt issued by public authorities:

Outstanding State-Supported Debt(1)
as of March 31, 2003
(in millions)

	Authorized as of 3/31/03	Authorized But Unissued as of 3/31/03 (2)	Outstanding as of 3/31/03 (3)
GENERAL OBLIGATION	\$14,535	\$1,152	\$3,996
LOCAL GOVERNMENT ASSISTANCE CORP.	4,700	0	4,575
OTHER LEASE-PURCHASE AND CONTRACTUAL OBLIGATION FINANCING ARRANGEMENTS			
Transportation:			
MTA:			
Service Contract Bonds	Note 4	Note 4	2,395
Thruway Authority:			
Consolidated Highway Improvement Program	3,788	865	2,600
Dedicated Highway & Bridge Trust	10,250	4,473	4,808
DASNY:			
Albany County Airport	40	1	36
Education:			
DASNY/MBBA:			
SUNY Educational Facilities (5)	3,200	324	4,353
SUNY Dormitory Facilities (6)	405	250	560
SUNY Upstate Community Colleges	175	159	481
CUNY Educational Facilities (7)	3,415	330	3,253
State Education Department Facilities	Note 8	Note 8	70
Library for the Blind	16	0	17
Special School Purpose Agreements	Note 9	Note 9	0
SUNY Athletic Facilities	22	0	25
RESCUE	195	54	136
University Facilities (Jobs 2000)	48	25	25
School District Capital Outlay Grants	140	48	92
Judicial Training Institute	Note 8	Note 8	15
Health/Mental Hygiene:			
DASNY/MCFFA:			
Department of Health Facilities	474	2	428
Mental Health Facilities (10)	5,050	844	3,400

	Authorized as of 3/31/03	Authorized But Unissued as of 3/31/03 (2)	Outstanding as of 3/31/03 (3)
Corrections:			
UDC\ESDC:			
Prison Facilities	4,551	458	3,810
Homeland Security	15	1	14
Youth Facilities	328	110	187
Environment:			
EFC:			
Environmental Infrastructure Projects	135	3	132
Riverbank State Park	78	18	59
Water Pollution Control	453	68	174
Pilgrim Sewage Treatment	Note 8	Note 8	9
State Park Infrastructure	18	6	11
Fuel Tanks	23	0	10
Pipeline for Jobs (Jobs 2000)	23	11	13
ERDA:			
Western New York Nuclear Service Center	104	0	55
UDC\ESDC:			
Long Island Pine Barrens	15	0	13
State Building/Equipment:			
UDC\ESDC:			
Empire State Plaza	133	10	66
State Capital Projects	200	0	228
Certificates of Participation	Note 11	0	185
Housing:			
HFA:			
Capital Programs	1,410	12	1,175
Economic Development:			
CEFAP	425	110	242
Triborough Bridge and Tunnel Authority:			
Convention Center Project	375	0	292
UDC\ESDC\DASNY:			
University Technology Centers	288	53	167
Onondaga Convention Center	40	0	42
Sports Facilities	145	15	123
Natural Resources Preservation	25	0	20
Child Care Facilities	30	1	29
Bio-Tech Facilities	10	10	0

	Authorized as of 3/31/03	Authorized But Uninssued as of 3/31/03 (2)	Outstanding as of 3/31/03 (3)
Strategic Investment	225	77	145
Regional Economic Development (12)	900	603	297
Buffalo Inner Harbor	50	50	0
Jobs Now	14	1	14
State Facilities (13)	143	65	181
Other:			
DASNY:			
Pension Obligation	787	14	79
Total Other Financing Arrangements			<u>\$30,466</u>
TOTAL STATE SUPPORTED AUTHORITY DEBT			<u><u>\$39,037</u></u>
DEBT REDUCTION RESERVE FUND OFFSETS (14)			<u>(194)</u>
NET STATE SUPPORTED AUTHORITY DEBT			<u><u>\$38,843</u></u>

Source: Office of the State Comptroller

(1) Includes only authorized programs that are active at March 31, 2003 or have outstanding balances or both.

(2) Amounts issued may exceed the stated amount authorized by premiums received, for the purpose of providing for the cost of issuance, reserve fund requirements and, in certain circumstances, refunding bonds.

(3) Amounts outstanding reflect original par amounts or original net proceeds in the case of capital appreciation bonds. Amounts outstanding do not reflect accretion of capital appreciation bonds or premiums received.

(4) Authorization is limited to \$165 million in annual debt service maturing no later than July 1, 2031.

(5) Authorization also includes any amount necessary to refund outstanding Housing Finance Agency (HFA) State University Construction Bonds, all of which have been refunded.

(6) Authorizations apply to bonds issued after March 31, 2002, prior to that date there was no limit.

(7) The amount outstanding includes one half of \$633.1 million for CUNY Community Colleges for which the State pays 50 percent of the debt service and the City pays 50 percent of the debt service. The total amount authorized for CUNY Senior Colleges was unlimited for resolutions adopted prior to 7/1/85 and limited to \$3.415 billion for both CUNY Senior and CUNY Community Colleges for resolutions adopted after 7/1/85.

(8) Legislation enacted in May 2002 prohibits further issuance of bonds for this purpose, except for refunding.

(9) Authorization is limited to the amount of prior year school aid claims due and payable as of May 15, 2002.

(10) Authorization also includes any amount necessary to refund outstanding HFA Mental Hygiene Bonds, all of which have been refunded.

(11) Certificates of Participation were legislatively authorized to be issued annually between 1986 and 2001, but no new issuances were authorized after 2001.

(12) An additional \$300 million in authorization is contingent upon the opening of an Indian gaming facility.

(13) Includes bonds issued for the OSC Building, East Parking Garage, Ten Eyck Building, OGS Capital Projects, Elk Street Parking Garage, Alfred E. Smith Office Building and judiciary buildings. There is no limit for the amount of bonds that may be issued for the OSC Building, East Parking Garage, and Ten Eyck Office Building.

(14) During fiscal year 2001-02, the State transferred \$350 million to several State authorities for the purpose of providing for the payment of \$355 million of State-supported debt (\$45 million for mental health bonds and \$229 for pension obligation bonds to DASNY; \$45 million in prison facilities bonds to UDC/ESDC; and \$36 million in Water Pollution control bonds to EFC). As of March 31, 2003, these funds were held in the form of cash and investments for this purpose. However, under the terms of the financing resolutions under which such bonds were issued, these bonds are still considered legally outstanding.

Public Authority Oversight

Public authorities are legally and administratively autonomous from the State. Public authorities are creatures of New York State and local government, but they operate independently and with more flexibility. Given their financial interdependence with governmental entities, however, certain oversight mechanisms have been put in place.

Governing Boards

Due to their corporate nature, authorities are governed by boards of directors whose members can be appointed by the Governor, some on the recommendation of members of the Legislature or local officials. Enabling legislation generally defines the size of the Board of Directors and assigns responsibility for board appointments. Several of the State's public authorities are governed by boards whose members are involved in the affairs of more than one public authority.

The MTA Board, for example, is comprised of a chairperson and sixteen other voting members, two non-voting members and four alternate non-voting members—all of who are appointed by the Governor with the advice and consent of the State Senate. Four of the members are recommended by the Mayor of New York City. Seven others are recommended by the County Executives from the seven adjoining counties. The chairperson and five remaining members, two of whom must reside in New York City, are appointed directly by the Governor. The MTA Board of Directors serves as the governing board of its subsidiary transportation-related entities.

Other boards are surprisingly small, given the responsibilities of the entities they govern. The Thruway Authority, along with the New York State Canal Corporation, for example, is governed by a three-member board.

Sections 2825 through 2828 of the Public Authorities Law outline general provisions for authority board members, including quorums and majorities and removal of board members.

Public Authorities Control Board

The Public Authorities Control Board (PACB) was created in 1976 in response to the growing amount of public authority debt (see section 50 of the Public Authorities Law). The Board has the power and duty to receive applications for approval of the financing (debt) and construction of any project proposed by any of the covered State authorities.

<i>Authorities Subject to PACB Oversight</i>
New York State Environmental Facilities Corporation
New York State Housing Finance Agency
New York State Medical Care Facilities Finance Agency
Dormitory Authority
New York State Urban Development Corporation
Job Development Authority/Empire State Development Corporation
Battery Park City Authority
New York State Project Finance Agency
State of New York Mortgage Agency
New York State Energy Research and Development Authority
Long Island Power Authority

All five members of the PACB, including the chair, are appointed by the Governor. Four of the members are recommended by majority/minority legislative leaders. Members recommended by minority leaders have no vote (although comments will be entered into the permanent record unless a voting member disapproves) and projects can only pass with a unanimous decision.

Any application made concerning a project that is submitted to the PACB must include the terms, conditions and dates of the repayment of State appropriations authorized by law pursuant to a repayment agreement. PACB is required to furnish the Office of the State Comptroller with a copy of each application within three days of receipt by PACB. It cannot approve any application prior to the earlier of: (a) seven days following the receipt by the Office of the State Comptroller, or (b) the receipt of Office of the State Comptroller comments on the application or Office of the State Comptroller consent to an earlier determination by PACB. The letter received from the State Comptroller is entered into permanent record.

PACB approves applications when it determines that there are enough funds committed to finance the acquisition and construction of the project. In making this determination, it can look at projections of fees, revenues, security, etc. A copy of this determination is received by the Office of the State Comptroller.

Legislative Committees

Both the State Senate and Assembly have standing committees on Corporations, Authorities and Commissions. The 2003 Legislative Update of the Assembly Committee on Corporations, Authorities and Commissions notes:

The Committee on Corporations, Authorities, and Commissions is charged with overseeing all of New York's public and private corporations, its state authorities, and its commissions, which puts it at the center of the most vital issues facing New York. During the past year, the Committee has used its

oversight powers to great effect, holding Public Hearings into the activities of state authorities from Long Island to Buffalo. The Committee's hearings uncovered the sale of development rights to the Erie Canal for \$30,000, the \$500,000 phone call to the MTA by a former U.S. Senator, and a series of other activities previously not public.²²

Reporting Requirements

The Public Authorities Law requires many, but not all, public benefit corporations to submit annual statements, independent audits and other reports to the State Comptroller, Governor and the Legislature. Sections 2800-2806 of the Public Authorities Law detail the various reports that must be submitted and the timing for submission of each. An annual fiscal year-end report to the Governor, finance committees of each house of the Legislature and the State Comptroller must provide information about the authority's:

- operations and accomplishments,
- receipts and disbursements or revenues and expenses,
- assets and liabilities, including the status of reserve, depreciation, special or other funds, and
- bonds and notes outstanding, including a statement of the amounts redeemed and incurred during the year.

Other sections similarly detail requirements for budget reports, audit reports, financial disclosure before toll or fare increases and personnel reports.

Information about just over 50 public authorities, including data from the required annual reports, is readily available to the public on the Web site of the Office of the State Comptroller.²³ Much of the information about public authorities available on the Office of the State Comptroller Web site is in the public domain as it is included in authority audited financial statements, the State's Comprehensive Annual Financial Report and the Annual Information Statement (AIS).²⁴ The Office of the State Comptroller Web site offers details about authority budgets and salaries of top authority staff that are otherwise not publicly accessible and brings together information about various authorities in one location.

²² Brodsky, Richard L., Chair. *2003 Legislative Update from the NYS Assembly Committee on Corporations, Authorities and Commissions*. January 9, 2004.

²³ <<http://www.osc.state.ny.us/finance/pubauth/index.htm>>.

²⁴ Available on the New York State Division of the Budget Web site. <<http://www.budget.state.ny.us>>.

Oversight by the Office of the State Comptroller

Article X, section 5 of the State Constitution grants the Comptroller the power to supervise the accounts of public corporations, including public authorities.

In addition to reviewing reports authorities are statutorily required to submit, the Office of the State Comptroller sends an annual data request to 53 public authorities. The request is made under the Comptroller's regulation—"Accounting and Reporting for Public Authorities" (2NYCRR, Part 201). The questionnaire is used to gather information about authority organization and administration (e.g. employee compensation and contracting), debt, State support, State cost recovery and investment of funds. The amount of information requested was expanded this year as part of Comptroller Hevesi's efforts to compile data about State entities.

Since January 2003, the Office of the State Comptroller has released some 23 audits, reviews and policy reports on various public authorities. The focus of each audit is selected on a risk-based approach. The Comptroller's Office identifies activities, through a preliminary survey, that have the greatest probability of needing improvement. In order to utilize the Comptroller's audit resources efficiently, reviews or policy reports are sometimes issued as a follow up to an audit. This allows the Office of the State Comptroller to determine if the particular public authority has, in fact, acted on recommendations of the earlier audit to correct problems and enhance efficiency.

A February 2003 review, for example, revealed that the New York State Bridge Authority failed to consistently review non-operating expenditures for reasonableness as previously recommended. More than 27 percent of the Bridge Authority's \$94,000 travel expenses for a period of 20 months were reimbursed without written approval to one individual. This is indicative of the need for public authorities to strengthen the internal controls for travel-related expenses.

Two audits of the New York State Thruway Authority revealed weaknesses in monitoring contracts. In a review of the Authority's contract for the E-ZPass System, the Comptroller's staff found that controls are needed to assure the accuracy of costs claimed by the contractor for electronically collecting tolls and of the contractor's assessment of E-ZPass tag inventories. In addition, improved practices are needed by the Authority to monitor the contractor's delivery of services.

A second audit of the New York State Thruway Authority identified weaknesses in the monitoring of travel plaza contractors. Contract monitoring is important in this case to assure contractor compliance with pricing and cleanliness standards. Effective monitoring is also critical in order to make sure the contractors spend required amounts of money on authority-approved capital repair and improvement projects.

Follow-up reviews have indicated that two authorities strengthened internal practices as recommended by the Office of the State Comptroller. Significant weaknesses were

apparent in the contract award process of the State University Construction Fund (SUCF). Based on report recommendations regarding its contract with Hudson Design, the Fund made certain improvements in its contract award process

A follow-up review on the collection practices of the New York City Health and Hospitals Corporation indicated that all three of the hospitals previously audited had implemented recommendations put forth by the Comptroller. Increased efficiency in the collection of unpaid bills was achieved as a result of this examination of the Corporation's internal practices.

The Comptroller's Office audited Health Research, Inc. (HRI), a not-for-profit corporation that supports programs and research activities of the Department of Health. At issue were HRI's controls over disbursements made from grant funds. For example, some expenses claimed by subcontractors were not adequately documented, while others were not even allowable under the terms of the grant agreements. Lavish reimbursements were made for dinners to recruit a scientist to Roswell Park, and relocation reimbursements exceeded the allowable limit by as much as \$17,000. Not only should HRI's internal controls be strengthened, but steps should be taken to recover undocumented and inappropriate expenses.

A lack of documentation is a common theme among authorities that have weak internal controls. An audit released in September 2003 found that the New York City School Construction Authority (SCA) had not formally monitored the cost and progress of implementing a new automated information system. While this new system will monitor SCA's construction projects, SCA had not planned or implemented the system according to generally recognized standards. The new system is likely to be delayed, and the cost is more likely to be higher than necessary because SCA failed to perform a cost-benefit analysis and did not formally consider different alternatives for implementation. In addition, SCA's approval of system development work was often not documented. The Comptroller's Office recommended that significant improvements be made in the implementation of the remaining parts of the system.

A fact-finding review of the Dormitory Authority of the State of New York (DASNY) also revealed weaknesses in this Authority's internal controls. The Office of the State Comptroller examined the cost of project delays and cost overruns of DASNY's contract to build an annex to the Westchester County Courthouse. Not only was the project four years behind schedule, but the funding was expected to be exhausted before a major phase of the project could even begin. The Comptroller's review found that the project budget was not realistic for the work planned, and the project itself was not effectively monitored since no adjustments were made to reduce the scope of work or increase project funding.

An April 2003 report by the Comptroller uncovered serious shortcomings in the budget process of the Metropolitan Transportation Authority (MTA). Not only did the MTA have a secretive budget process, but its financial reporting was neither clear nor accessible. In addition, the MTA responded arbitrarily to financial reporting requirements. Although the MTA's practices were perhaps the most egregious examples of breaching accountability to

the public, the Authority has, to its credit, taken steps to improve its financial reporting since the April report.

An audit and policy report released in September 2003 indicated serious mismanagement by the New York Racing Association (NYRA), including an underpayment of its franchise fee to the State in 2000 and 2001 by a combined amount of at least \$11.6 million and possibly as much as \$15.3 million. NYRA's budgeting practices were also called into question, again raising the issue of internal controls and oversight. Since NYRA was clearly not operating in a sound, economical, efficient or effective manner, the Comptroller's Office recommended NYRA hire an independent private sector inspector general (IPSIG) with substantial power to monitor and reform operations and clean up the corruption. Subsequently, the U.S. Attorney and Federal Court took steps to impose an independent monitor on NYRA, with the monitor reporting to the Office of the State Comptroller.

In March 2003, members of the New York State Legislature—the body that had charged LIPA with the job of “restoring the confidence and protecting the interests of ratepayers and the economy in the service area”—requested that the State Comptroller review the expenditures and procedures governing the conduct of the polls and other consumer outreach activities. At the same time, the Suffolk County Legislature passed a resolution seeking restitution of ratepayer funds used for political polling. The Comptroller's report found that a political consultant, who simultaneously worked for a U.S. Senate candidate, was paid \$45,000 by the Long Island Power Authority (LIPA) to conduct polls that included many inappropriate questions about politicians. In violation of LIPA's contracting guidelines, the consultant was selected without using competitive bidding or documentation to justify a non-competitive selection, and was paid without a contract.

In issuing the report, the Comptroller pledged to:

- continue to review carefully contracts valued at more than \$15,000 submitted by LIPA for approval by the State Comptroller as required by law,²⁵
- implement a process for Office of the State Comptroller review of contracts when the role of KeySpan Electric Services is primarily that of a procurement agent for LIPA, and
- engage in a detailed review of LIPA's budgets and study of other fiscal and management practices.

A review of the Long Island Power Authority, released in January 2004, focused on its internal operations and revealed significant spending abuses. The acting chief financial officer, for example, was paid more than \$580,000 for a 14-month period. The Comptroller's

²⁵ The Legislature made LIPA subject to provisions of Section 112 of the State Finance Law requiring contracts valued at more than \$15,000 to be reviewed by the Office of the State Comptroller. Currently, LIPA is the only public authority so required by law. The year the New York State Thruway Authority was created, 1950, its Board passed a resolution requesting the State Comptroller to audit funds of the Authority in the same way funds of State agencies are audited—this provided for the pre-audit of Thruway contracts, which continues today.

Office recommended that LIPA adopt a more open and accountable budget process, compare the proposed budget to actual operating results in a public budget presentation, reduce administrative spending and present specific cost cutting initiatives.

The Office of the State Comptroller will conduct audits of every major public authority during the course of the next few years. These audits will look carefully at each authority's internal controls, examining contract practices and financial management in an effort to identify weaknesses and demand greater efficiency. This is an integral part of the Comptroller's efforts to increase the accountability of New York's public authorities.

Indications of the Need for Increased Accountability

As the number of public authorities escalated in the 1960s and 1970s, allegations of impropriety, poor investment policies and corrupt practices also surfaced. Investigations initiated at the local, State and federal levels, as well as audit findings, uncovered cases of bribery, nepotism, bid-rigging, misuse of funds and financial mismanagement—costing the State tens of millions of dollars and resulting in the indictments of dozens of authority employees.

A review of past practices by authorities reveals a history of unethical and, at times, illegal activities. Examination of authority practices also exposes a history of quasi-public agencies performing State-related functions, yet independent of the oversight consigned to State agencies. Questions have repeatedly been raised about the qualifications and compensation of appointed authority executives.²⁶ Concern regarding the lack of oversight has intensified recently in light of these widespread scandals, resulting in a public cry for reform.

In some instances, patterns of abuse recurred in authorities. The Javits Convention Center (New York Convention Center Operating Corporation) was plagued with charges of racketeering, featherbedding, the awarding of no-bid contracts and extortion throughout the 1990s. Investigations of the Center resulted in a series of indictments.

Ironically, audits and investigations of the New York State Bridge Authority discovered inappropriate business expenses claimed by the Executive Director in 1986 and again in 2003 by a different Executive Director.

In one of the most notorious cases of authority mismanagement, the Olympic Regional Development Authority (ORDA) was the subject of both a State audit and a separate investigation in 1995. The audit revealed widespread nepotism, substandard management and potentially illegal business practices at ORDA during the tenure of a former Executive Director.

An audit by the Office of the State Comptroller uncovered a number of unethical business practices where the Executive Director put his friends and relatives on the payroll, as well as relatives of friends, contracted with a firm owned by his son, and provided salary increases for himself and other top executives. The audit also found that board members were granted contracts with ORDA and provided with additional lucrative business deals.

Political influence has played a major role in authority operations over the years raising a series of ethical questions, particularly in regard to lobbying activities. Because of the nature of gubernatorial board appointments, it is difficult to isolate authorities from

²⁶ See Appendix B.

politics, yet it is clear that parameters need to be established since the financial implications can be significant.

The following is a list of some of the scandals and questionable authority practices exposed since 1965. It is not comprehensive.

Year	Agency	Summary
1965	Health Research, Inc.	Office of the State Comptroller audit reports that HRI falsely reported to grantors that payments on certain items had been expended, when in fact they were not.
1975	Urban Development Corporation	UDC verges on financial collapse; agency has over \$1 billion in outstanding bonds, operating costs of \$1 million per day, and no funds to meet current obligations.
1982	Dormitory Authority	DASNY's investment policies could result in the potential loss of \$55 million as a result of Lombard Wall filing for bankruptcy; actual loss was approximately \$21 million.
1985	SONYMA	An examination by State officials of SONYMA's operation during former president's tenure discovered irregularities that cost the agency more than \$100,000. Sources described some of agency problems as letting contracts to other than the low bidders, expensive junkets and awarding contracts to outside consultants for work previously done by SONYMA employees.
1986	Battery Park City Authority	New York State Commission on Investigation reports \$420,000 in salary and fringe benefits was paid to an operating engineer in 1984 by a private developer at the Battery Park site to appease unions.
1986	Port Authority	New York State Commission on Investigation reports the Port Authority has kept nine unneeded workers on the payroll for construction work there—from 1971 to 1986—at a cost of more than half a million dollars.
1986	Bridge Authority	Office of the State Comptroller audit finds questionable entertainment and travel expenses incurred by Executive Director and board members while on business-related trips to Europe, Boston, New Orleans, Florida, etc.
1989	Erie County IDA	U.S. Department of Commerce Inspector General criticizes IDA for conflicts of interest in awarding loans, for giving money to enterprises not in need and for forgiving loans without appropriate basis.

Year	Agency	Summary
1991	Javits Convention Center	The Manhattan District Attorney's office investigated union corruption at Javits. That investigation led to 23 indictments. Charges included extortion and falsifying names and social security numbers. Exhibitors complained of high labor costs and featherbedding, and law-enforcement officials say that Mafia racketeering raises operating costs for exhibitors.
1991	Martin Luther King Institute for Non-Violence ²⁷	Investigators determined that there were widespread problems at the Institute, including mismanagement, credit card irregularities, shoddy record keeping and cronyism.
1992	Port Authority	Airport Security Council audit shows former official spent nearly \$40,000 in 1989 and 1990 on expenses that were neither documented nor authorized.
1992	Port Authority	Port Authority builds a parking garage for \$56 million that goes unused for more than a year. Garage costs nearly four times the price of garages being built by MTA. Also spends \$21 million on baggage tunnel that was subsequently abandoned and \$37 million on designs for projects, which never took place.
1992	Hudson River-Black River Regulating District	Members of the Hudson River-Black River Regulating District Board created salaried jobs for themselves after Governor and the State Legislature eliminated their pay as board members. After gubernatorial aides complained, the resolutions creating the jobs were quickly rescinded and no paychecks were issued.
1993	Niagara Frontier Transportation Authority	Three NFTA commissioners attend aviation conference in Hawaii costing taxpayers \$6,000.
1993	Niagara Frontier Transportation Authority	State Inspector General critical of "improper activities" of NFTA officials; IG finds NFTA paid for questionable expenses, including club dues and home improvements for Executive Director, as well as other expenses associated with social gatherings.
1993	New York Power Authority	NYPA uses \$23,000 from its capital budget to underwrite party for its executives.
1993	New York Power Authority	Governor questions NYPA Chairman's use of authority-owned airplane; Chairman claims 51 trips—many to weekend vacation home—were related to NYPA business.

²⁷ The Institute ceased operations in 1996 due to insufficient operating funds.

Year	Agency	Summary
1993	Various	State Bridge Authority, State Thruway Authority, Port Authority, Triborough Bridge and Tunnel Authority, and Thousand Islands Bridge Authority sending nine board members to Paris for international convention.
1993	New York Power Authority	NYPA pays fired president \$130,000 as an adviser after firing him in June for poor management and questionable spending practices.
1993	New York Power Authority	NYPA spends nearly \$15 million matching the private retirement savings of its white-collar workers; Governor says it violates State policy.
1993	Central New York Regional Transportation Authority	Inspector General issues critical report of Centro for paying former Director for the 54 days in which he 'conducted authority business from California and Florida during 1991.
1994	Javits Convention Center	Convention Center President awarded a 1991 \$2.1 million no-bid garbage contract to a Brooklyn firm.
1994	Port Authority	Manhattan DA investigates consulting firm for obtaining inside information and using it to obtain a \$10 million contract with PA; PA fired consultant.
1994	Javits Convention Center	A report by a court-appointed investigator charged that 100 carpenters, who operate with almost exclusive control over the displays at the convention center, are hired by union officials with connections to organized crime.
1994	Olympic Regional Development Authority	State Inspector General finds ORDA misspent tens of thousands of dollars, allowed personal use of vehicles and condos, and altered documents.
1994	New York Power Authority	NYPA allows employee buyouts, totaling \$8.5 million, to 203 workers; each buyout is worth an average of \$42,000. Current Governor and Governor-elect also question NYPA's proposed \$12 million bonus/raise package.
1994	Job Development Authority	Investigations reported that employees received interest free loans without formal board approval; employees enjoyed personal use of mobile phones, car maintenance services, postage, etc.
1995	Javits Convention Center	Office of the State Comptroller audit found convention center management circumvented purchasing policies, personnel policies, unilaterally authorized salary increases and decreases, and terminated employees, often without documenting the reasons for these actions.
1995	Port Authority	PA official pleads guilty to taking nearly \$58,000 in bribes from agency contractors.

Year	Agency	Summary
1995	Olympic Regional Development Authority	Office of the State Comptroller audit reports ORDA Executive Director allowed nepotism, contracted with companies in which he was a partial stakeholder, and granted raises to himself and others that were greater than allowed in his contract or board policy.
1995	New York Power Authority	Former Assemblyman with no experience in energy matters, as \$185,000-a-year chairman of the Power Authority.
1995	Harlem Urban Development Corporation	A vast amount of waste at the Harlem Urban Development Corporation has emerged from confidential State reports and City documents, which say that millions of dollars are missing, stolen or were squandered. In its last three years of operation, huge sums of money were passed to HUDC consultants, but never reported to the IRS. Large amounts of cash vanished from a garage operated by the HUDC. HUDC executives incurred lavish expenses.
1997	Metropolitan Transportation Authority	Long Island firm, which had been out of the running for work on the Queens-Midtown Tunnel in New York City, gets contract after \$100,000 in campaign donations were made. Campaign finance records show the firm that was eventually awarded the contract, and others connected to the company's president, donated \$60,000 to the State Republican Party on May 28, 1997, just two days before the MTA contract was awarded to that company. Within three days of firm getting the \$97 million contract, a political action committee founded by owner gave the Republican State Committee \$40,000.
1999	NYC School Construction Authority	Governor empowers a Moreland Act Commission to look into allegations of mismanagement and corruption within the NYC School Construction Authority; Commission Chair charged that the Authority was trying to "intimidate" its employees into obstructing the commission's efforts; final report not released.
1999	MTA	Former United States Senator was paid \$500,000 to help move along a real estate deal involving the Metropolitan Transportation Authority. He had helped do so by making a phone call in 1999 to the then-MTA Chairman.

Year	Agency	Summary
1999	Urban Development Corporation	A former top State economic development official pleads guilty to accepting more than \$ 30,000 in bribes to place a statue in Battery Park City. The investigation later broadened to focus on Chairman's role in nearly every aspect of its work, but was closed without explanation and without filing of criminal charges on January 22, 2001.
2000	Dormitory Authority	Chief of New York City court projects for the New York State Dormitory Authority pleads guilty to rigging bids, accepting bribes and stealing more than \$500,000 in City funds.
2000	Capital Region OTB	OTB President pleads guilty to counts of bribing a no-show Capital OTB employee and of defrauding OTB of money that should have gone to 17 counties. Reports show President allowed questionable Capital OTB expenses, including \$918,000 to favorite charities; more than \$750,000 in free drinks and meals for friends, family and business colleagues; and more than \$31,000 on box seats at the Pepsi Arena.
2000	Various	Some of New York City's biggest roofing contractors routinely used nonunion labor, even though their contracts for large public-works projects barred them from doing so, prosecutors said in announcing the indictments of 13 people and 5 companies. A number of roofing contractors who had lucrative contracts with city agencies, including the School Construction Authority, as well as the Port Authority of New York and New Jersey, cut their payrolls by employing cheaper nonunion roofers, in violation of their contracts and city rules.
2000	Dormitory Authority	The State's Dormitory Authority selected a firm for a \$28-million dormitory contract over competitors with more experience, through a process that gives State officials considerable discretion over whom they choose. The company was owned by brothers who were significant fund-raisers for elected officials. Despite misrepresenting their qualifications and a long history of bad debts and delinquent tax payments, the company won more than \$37 million in State and county contracts and subsidies.
2000	Thruway Authority	State Government Integrity Commission reports 64 of 68 engineering firms on a former Governor's list of prospects to be solicited contributed to the campaign, and that all but 11 of the 64 had contracts with the State Thruway Authority and State Department of Transportation.

Year	Agency	Summary
2001	State University Construction Fund	A report by the Inspector General found serious and inappropriate actions on the part of officials at SUNY Old Westbury and at the Construction Fund in the Fund's procurement process. The report found that calls were made by several administration representatives on behalf of the Governor's neighbor and relative by marriage.
2002	Various	Office of the State Comptroller audit shows the State spent approximately \$140 million on advertising in 2000. A look at advertising practices of four State agencies and five public authorities from April 1, 2000 to June 30, 2001 found they spent a total of \$55.7 million on ads, two-thirds of which featured or mentioned public officials—usually the Governor.
2002	Metropolitan Transportation Authority	MTA's proposal to renovate new headquarters results in a tripling of costs, poor construction, weak oversight and an indictment of seven men for siphoning \$10 million from the project.
2002	Institute for Entrepreneurship ²⁸	The Institute for Entrepreneurship, based in Albany, hired more people than it needed, spent lavishly on parties, failed on most of its program objectives and allowed its top executive to pad his salary and perks, while double-billing public agencies and creating false reports. Office of the State Comptroller audit urges SUNY to try to recoup \$250,000 in State money.
2002	Housing Finance Agency	The New York State Housing Finance Agency approved \$100 million in tax-free bonds to be awarded to each of three luxury housing projects. Two of the developers of the projects had donated over \$458,000 in campaign contributions to candidates at the State level and \$221,000 at the city level.
2002	Various	At least \$2.85 billion in goods and services contracts were entered into by agencies without a procurement integrity officer in place in 1999-2000, according to data by the State Comptroller's Office. Some agencies that lacked a procurement officer include the Metropolitan Transportation Authority, Thruway Authority, Battery Park City Authority and Empire State Development Corporation.

²⁸ The duties and functions of the Institute were subsequently transferred to the State University.

Year	Agency	Summary
2003	Metropolitan Transportation Authority	Ten employees charged with tax evasion; cost to State of \$112,000.
2003	Metropolitan Transportation Authority	Office of the State Comptroller budget review found the agency moved more than \$512 million in projected surplus funds to later years, while NYC Comptroller found that NYC Transit, which runs city buses and subways, misstated more than \$850 million as operating expenses.
2003	Metropolitan Transportation Authority	MTA Security Chief and deputy are removed from their duties by MTA Chairman after Chairman received a report from the agency's inspector general recommending their termination. Chief had accused his bosses of trying to cover up widespread corruption, including alleged bid-rigging and bribery, that he said cost the agency millions of dollars and could threaten efforts to protect the city's transit system from terrorism.
2003	New York Racing Association	Attorney General report lists a series of scams and schemes by NYRA employees, from underpaying winners at betting windows to overcharging customers in parking lots. Report claims some tellers routinely engaged in loan-sharking and money-laundering using funds in their cash drawers.
2003	Roosevelt Island Operating Corporation	President of the Roosevelt Island Operating Corporation fired for granting bonuses to himself and 14 other corporation staff members, without board authorization, for work at Ground Zero in the immediate aftermath of the September 11, 2001 terrorist attacks.
2003	Canal Corporation	Executive Director of Corporation alleges he was fired for refusing directive to re-bid a contract for development of Inner Harbor; developer had hired lobbying firm with ties to Governor.
2003	New York Racing Association	Office of the State Comptroller audit concludes that NYRA owes at least \$11.1 million from the two-year period, most of that in State franchise fees that are supposed to be paid to the New York State Thoroughbred Racing Capital Investment Fund. Audit also finds NYRA has been taking tax deductions since 1993 for interest on loan payments it never made. NYRA faces deficit of \$51.5 million.

Year	Agency	Summary
2003	New York Racing Association	NYRA awards compensation package to former Chairman worth \$7,000 monthly for five years ending August 31, 2004, plus unlimited entertainment and travel reimbursement for Chairman and his wife while on NYRA business. Chairman also received an additional \$52,000 from a supplemental employee retirement fund.
2003	Long Island Power Authority	LIPA bypassed its own bidding requirements when it paid Strategic Planning Systems \$45,000 to conduct "political polls." LIPA is required to put contracts of \$5,000 or more up for competitive bid "to the maximum extent possible."
2003	Dormitory Authority	State Ethics Commission accuses chief project manager of the Dormitory Authority of accepting two golf outings paid by a contractor he chose for State work.
2003	Bridge Authority	OIG investigation reports excessive and inappropriate spending by former Executive Director on travel and expenses. Claims Authority Board failed in its oversight of Director's improper billing.
2003	Canal Corporation	One bidder, who had contributed \$6,000 to gubernatorial campaign, is awarded exclusive land use rights along a portion of the State canal system by the State Thruway Authority for only \$30,000. Canal Corporation does not solicit additional proposals, even though a few years earlier 32 other companies had expressed interest in canal development.
2003	Long Island Power Authority	The Office of the State Comptroller reports LIPA paid an interim CFO \$580,000 over 14 months under a contract that was not submitted for approval by the State Comptroller as required by law.
2003	Port Authority	Former U.S. Senator uses his political influence to persuade the Port Authority to stop the award of a \$21 million contract at LaGuardia Airport and re-open the bidding process to benefit a losing bidder.
2003	Metropolitan Transportation Authority	Manhattan DA releases six indictments alleging a Brooklyn plumbing firm scammed the agency of millions of dollars with the help of three MTA officials. Prosecutors seek to recoup \$18.7 million in funds paid to firm.

Year	Agency	Summary
2003	New York Racing Association	The New York Racing Association admits wrongdoing in conjunction with federal indictment proceedings on charges of conspiracy to commit tax evasion. A deferred-prosecution agreement provides for the installation of a court-appointed monitor, consistent with the recommendations of the New York State Comptroller. If the Association pays a \$3 million fine and abides by stringent new fiscal oversight policies, indictment of the Association will be dismissed.

Clearly, past attempts at reform, while offered in good faith, have failed to stem the abuse so prevalent in these authorities. Reactive measures to specific scandals need to be replaced with a comprehensive and in-depth study of these entities, and with long-term proposals designed to prevent such abuse in the future.

Previous Reform Efforts

As both the number of authorities and their powers proliferated in the latter half of the twentieth century, little was done to ensure adequate oversight of authorities' operations. Beginning in 1956 with the release of the Hults Report, the need for greater State oversight of public authorities has been the underscoring theme of a dozen or more reports issued by State agencies, commissions, committees and audits when examining these entities.

Authorities have been the subject of review by the Moreland Act Commission, Assembly Corporations, Authorities and Commissions Committee, Senate Committee on Investigations and Taxation, Division of the Budget, Office of the State Comptroller, Rockefeller Institute of Government, New York State Commission on Government Integrity and Assembly Majority Task Force on Public Authority Oversight. As a result of these reviews, various reform measures designed to bring these agencies under tighter public scrutiny have been proposed, both administratively and legislatively.

Although numerous reports and studies have been issued since the Hults Report, none have been as encompassing and detailed as that initial study in the nearly 50 years since. The Hults Report made over 200 recommendations, ranging from toll collections on specific bridges to debt issuance standards, regarding the operations of public authorities in the State. These recommendations, as well as the 100 other recommendations resulting from reports and studies over the next five decades, were rarely acted upon or implemented.

Under Arthur Levitt, the State Comptroller's Office both reported on and recommended changes for the operations of public authorities, particularly focusing on debt and public finance issues. Comptroller Levitt repeatedly cautioned against the proliferation of non-voter approved "moral obligation" debt, which resulted in the near demise of the Urban Development Corporation in 1975. His annual reports reiterated recommendations for studies of the indirect capital financing exploited through the use of public authorities.

In his 1972 Annual Report, Comptroller Levitt warned of mounting direct and indirect debt, saying "the State of New York is mortgaging its future to a point which approaches the capacity of public burden...I am concerned not only about the magnitude of our debt structure, but also about its proliferation into unwieldy and distorted forms."²⁹ The combined direct and indirect State debt as of March 31, 1972 totaled \$5.8 billion. In 2004, State-supported debt will exceed \$45 billion.

In a series of reports published in 1972-73, entitled "New York State Comptroller's Studies on Issues in Public Finance," Comptroller Levitt argued for a closer tie-in of public authorities with the State budgetary process, claiming that "any true picture of public sector

²⁹ Department of Audit and Control, *1972 Report of the Comptroller, State of New York*, p. 33.

activity within the State must include the services performed by authorities.”³⁰ Levitt called upon the Legislature to provide a framework for assessing the creation of public authorities, with special attention to the purposes for creation, methods of financing the authorities, limitations on financing and State controls on the authorities’ operations.

As public authority debt continued to escalate, Levitt’s concerns deepened. His persistence in lobbying for debt reform, combined with the dramatic failure of UDC, were responsible for obtaining the placement of statutory limits on “moral obligation” debt. Chapter 38 of the Laws of 1976 limited debt issuance for eight authorities, including UDC, Dormitory Authority of the State of New York (DASNY), Job Development Authority (JDA), Housing Finance Agency (HFA), and New York State Energy Research and Development Authority (NYSERDA).

Another major reform measure enacted in the 1976 legislative session created the Public Authorities Control Board (PACB) that held the responsibility for approving the financing and construction of any project proposed by certain authorities. Currently, 11 authorities are subject to PACB approval when initiating projects.

Comptroller Levitt also was successful in effecting the passage of legislation requiring authorities to file reports of actions taken in response to his audit recommendations.

Among Levitt’s other recommendations were the subjecting of public authorities to the same regulation and review as State departments and requiring a review of their budgets by the State Budget Director. He further proposed that the Legislature consider the dismantling of certain public authorities or their possible absorption into existing State organizations.

Instead of absorbing the operations of public authorities into State agencies, New York State has on occasion put the opposite into practice. In 1992, canal system operations and employees were transferred from the State Department of Transportation to a new public benefit corporation—the New York State Canal Corporation—a subsidiary of the New York State Thruway Authority. In 1997, a public benefit corporation was established to take over operation of the Roswell Park Institute from the State Department of Health.

In this year’s budget proposal, the Executive recommends the creation of a new public authority, the New York Institute of Cultural Education, and moving the operations of the State Archives, State Library and State Museum out of the State Education Department and into this new authority. The net result of this proposal would shift all costs associated with these operations out of the State budget and away from public scrutiny.

The practice of consolidating agencies and authorities has received little attention, yet has been employed by the State, most notably in 1995 when the Health Care Financing Consolidation Act authorized DASNY to assume the powers, duties and functions of the Facilities Development Corporation and the New York State Medical Care Facilities Finance

³⁰ Office of the State Comptroller, *New York State Comptroller’s Studies on Issues on Public Finance, Statewide Public Authorities: A Fourth Branch of Government?* November 1972.

Agency. Also in 1995, the Department of Economic Development, JDA, UDC and Science and Technology foundation were administratively consolidated under the same management as the Empire State Development Corporation.

When the Commission on Government Integrity³¹ issued a preliminary report on Authorities and other Public Corporations in 1990, it noted:

Frequently, despite the importance and complexity of their activities, the most rudimentary information that would permit analysis is extremely difficult to obtain.

The report also stated:

These bodies are generally exempted by law from any of the controls designed to check favoritism, undue influence and abuse by official position, as well as corruption, fraud, waste and misuse of government funds.³²

In the more than ten years since the release of this report, little meaningful reform has taken place to increase the accountability of New York's growing number of public authorities, their employees or governing boards.

³¹ Also known as the Feerick Commission.

³² New York State Commission on Government Integrity, *Underground Government: Preliminary Report on Authorities and Other Public Corporations*, April 1990.

Public Authority Reform Act of 2004

In an effort to effect meaningful, lasting reform of New York's public authorities, Comptroller Hevesi is proposing legislation that includes immediate and longer-term reforms. This bill would increase accountability, deter misconduct and reduce waste and inefficiency at the more than 640 State and local public authorities and subsidiary corporations operating in New York.

This legislation recognizes the value of public authorities and will provide an opportunity for each authority and affiliated subsidiary corporation within New York to demonstrate its significance. The process established through this legislation will provide for the public release of the type of "rudimentary information" the Commission on Government Integrity noted was difficult to obtain in 1990 and which remains so today. It starts by offering a comprehensive listing of public authorities in New York State, and classifying them by jurisdictional significance or genesis. At the same time, the legislation provides for the elimination of Class A and Class B public authorities whose purpose has been served and the consolidation of others with similar missions where economies can be achieved.

It enhances the oversight of authority operations by strengthening governing boards and requiring the establishment of principles of good corporate governance. In addition to board member independence, and the creation of board committees, it provides for auditor rotation and official certification of financial statements.

The Act offers safeguards against abuse of authority contracts for services, construction or the sale of assets by providing for the Comptroller to identify authorities whose contracts will require pre-audit before they become effective. It provides for each authority to designate a procurement officer who can be trained in good procurement practices and benefit from the Office of the State Comptroller's experience in reviewing State agency contracts. At the same time, it requires disclosure of attempts to influence authority contracts and prohibits the employment of lobbyists for fees that are contingent upon influencing procurement or winning a contract.

Specific Provisions

Authority Classification: Section 3 adds a new section 2 to the Public Authorities Law to establish a new comprehensive definition of a public authority. This section categorizes all public authorities into four classes: Class A: major public authorities with statewide or regional significance and their subsidiaries; Class B: entities affiliated with a State agency or created by the State that have limited jurisdiction but a majority of board members appointed by the Governor or other State officials; Class C: entities with local jurisdiction; and Class D: entities with interstate or international jurisdiction.

Debt Issues: The Act adds a new section 3 to the Public Authorities Law prohibiting Class A or Class B public authorities from issuing debt in a way that requires or guarantees the continued existence of the authority. It also limits the ability of these entities to issue debt or lengthen terms of existing debt obligations without an act of the Legislature.

Temporary Commission on Public Authority Reform: Section 5 would add a new Article 1-B to the Public Authorities Law, creating the Temporary Commission on Public Authority Reform, consisting of 11 members: three to be appointed by the Governor, two to be appointed by the Temporary President of the Senate, two to be appointed by the Speaker of the Assembly, and one each to be appointed by the Minority Leader of the Senate, the Minority Leader of the Assembly, the Comptroller and the Attorney General, with the Governor designating one of the members to serve as chairperson.

Each authority must provide the Commission with documentation detailing its accomplishments and justifying its continuation. The Commission is required to publish a preliminary report on Class A public authorities not later than September 30, 2005, conduct a series of public hearings and issue a final report on December 15, 2005. The final report would detail determinations and recommendations regarding Class A public authorities, together with a specific description of any statutory changes necessary to enact the recommendations into law. Following similar procedures, it would report on Class B authorities in 2006, Class C and Class D in 2007. In the case of Classes C and D authorities, the Commission's report will be limited to recommendations; given multiple jurisdictional issues, the Commission is not granted the power to propose elimination of authorities in either of these classes.

When making determinations concerning the discontinuance of any unnecessary public authority functions, the Commission would have powers equivalent to those exercised by a parent corporation over subsidiary corporations. If the Commission determines that a specific program, operation or other activity of a Class A or Class B public authority is unnecessary, then the Commission would have the power to direct the discontinuation of that activity, subject only to the possibility of a resolution adopted by either house of the Legislature to override the Commission's determination.

If the Commission orders the discontinuation of a Class A or Class B public authority with outstanding debt obligations, the Dormitory Authority of the State of New York (the "Dormitory Authority") would be authorized and directed to complete the debt service on all such obligations, and the Commission would have the responsibility for assuring the continuation of any revenue sources already pledged to secure the payment of the outstanding debt obligations.

Principles of Corporate Governance: Section 7 amends section 2802 of the Public Authorities Law to require every Class A and Class B public authority to establish standards for independent external auditors, including rotation of auditing firms or partners at least every five years. This section also requires every external audit to be conducted in accordance with generally accepted accounting principles, and includes a list of non-audit

services that may not be provided to Class A and Class B public authorities by external auditors because such services would compromise the independence of the audits.

The legislation requires that annual reports of public authorities include disclosure of the compensation paid to executive officers in the same detail as amended Public Authorities Law, section 2825 and be published in the *State Register*.

Section 10 mandates that a majority of the board members of Class A and Class B public authorities must be “independent,” provides for passage of a Board Resolution establishing compensation payable to executive officers and prohibits any member of the governing body of a public authority from serving simultaneously as an executive officer. It also requires CEOs and CFOs to certify every public authority’s annual financial statements and statutorily required reports. Authority Boards are required to establish committees on procurement policy and employment and compensation.

Section 12 adds a new section 2829 to the Public Authorities Law to require every Class A and Class B public authority to adopt corporate governance reforms to assure that the public authority’s activities are properly conducted, and requires such public authorities to submit a copy of the adopted principles to the Comptroller.

Procurement: The legislation strengthens the existing requirement that Class A and Class B public authorities establish and enforce procurement guidelines and expands covered procurements to include construction and revenue contracts. Approval by a two-thirds majority of the Board is necessary for exemptions to competitive bidding requirements. Further, it provides for a process through which the Comptroller can exercise his or her right to review contracts of public authorities before they can become effective, by informing the authority of his or her intention to do so. The Commission is assigned with making recommendations in this area for Class C and Class D authorities.

Lobbying: The Act expands the definition of lobbying to include attempts to influence contracting decisions. In addition, it requires all lobbyists to disclose any contracts, invitations for bids, requests for proposals or other procurement solicitations they have attempted to influence or intend to influence. Section 19 would prohibit payments that are contingent upon the award of a contract.

Authority Oversight Responsibility: The legislation provides for the Comptroller to bring together the various and expanded oversight responsibilities of his or her office if he or she chooses by creating the option to designate a Deputy Comptroller for the supervision of public authorities. It also provides for an assessment on authorities to offset costs of oversight.

Classes of Public Authorities

Class A

Agriculture & NYS Horse Breeding Development Fund
Battery Park City Authority
Capital District Transportation Authority
 Access Transit Services
 Capital District Transit System
 Capital District Transit System, Number 1
 Capital District Transit System, Number 2
 CTDA Facilities, Inc.
Central NY Regional Transportation Authority
 Central New York Centro, Inc.
 Centro Call-A-Bus, Inc.
 Centro of Cayuga, Inc.
 Centro of Oswego, Inc.
 Centro Parking, Inc.
 Designated Recipient Services, Inc.
 Intermodal Transportation Center, Inc.
Community Facilities Project Guarantee Fund
Dormitory Authority of the State of New York
 Facilities Development Corporation
 NYS Medical Care Facilities Finance Agency
Environmental Facilities Corporation
Executive Mansion Trust
Homeless Housing Assistance Corporation
Hudson River-Black River Regulating District
Industrial Exhibit Authority
Long Island Power Authority
 LILCO dba LIPA
Metropolitan Transportation Authority
 Excess Loss Trust Fund
 First Mutual Transportation Assurance Company
 MTA Capital Construction Company
 MTA Capital Program Review Board
 MTA Office of the Inspector General
 Long Island Rail Road Company
 Metro-North Commuter Rail Road Company
 Metropolitan Suburban Bus Authority
 New York City Transit Authority & Manhattan & Bronx
 Surface Transit Operating Authority
 Staten Island Rapid Transit Operating Authority
 Tri-borough Bridge and Tunnel Authority
NAR Empire State Plaza Performing Arts Center Operating
 Corporation
Natural Heritage Trust
New York Convention Center Operating Corporation
Niagara Frontier Transportation Authority
 Niagara Frontier Transit Metro Systems, Inc.
NYS Bridge Authority
NYS Energy Research & Development Authority
NYS Housing Finance Agency
 Housing Trust Fund Corporation
 NYS Affordable Housing Corporation
NYS Job Development Authority (aka ESDC)
 New York Liberty Development Corporation
NYS Local Government Assistance Corporation
NYS Olympic Regional Development Authority
NYS Project Finance Agency
NYS Sports Authority
NYS Theater Institute Corporation
NYS Thoroughbred Breeding and Development Fund Corporation
NYS Thoroughbred Racing Capital Investment Fund
NYS Thruway Authority
 New York State Canal Corporation
Power Authority of the State of New York
Rochester-Genesee Regional Transportation Authority
 Batavia Bus Service, Inc.
 Genesee Transportation Service Council Staff, Inc.
 Lift Line, Inc.
 Livingston Area Transportation Service, Inc.
 Orleans Area Transit System, Inc.
 Regional Transit System, Inc.
 RGRTA Maritime Development Corporation
 Wayne Area Transportation Service, Inc.
 Wyoming Transportation Service, Inc.
Roosevelt Island Operating Corporation
Roswell Park Cancer Institute Corporation
State of New York Mortgage Agency
State of New York Municipal Bond Bank Agency
 Tobacco Settlement Financing Corporation
State University Construction Fund
United Nations Development Corporation
Urban Development Corporation (aka Empire State Development
 Corporation)
 125th Street Mart, Inc.
 260-262 W. 125th Street Corporation
 42nd Street Development Corporation
 900 Woolworth Redevelopment Corporation
 Apollo Theatre Redevelopment Corporation
 Apple Walk Houses, Inc.
 Archive Preservation Corporation
 Audubon Development Corporation
 Aurelius Cayuga Development Corporation
 Beach Redevelopment Corporation
 Blue Sky Redevelopment Corporation
 Borinquen Plaza Housing Company, Inc.
 Broadway East Townhouses, Inc.
 Buffalo Waterfront Phase III Houses
 Carlken Manor Houses, Inc.
 Cathedral Parkway Houses, Inc.
 Cherry Hill Houses, Inc.
 City-State Development Corporation
 Clifeen Springs Houses
 Deposit Industrial Redevelopment Corporation
 Downhill Local Development Corporation
 Eagle Bridge – Thomson Redevelopment Corporation
 Empire State Community Development Corporation
 Erie County Stadium Corporation
 Excelsior Capital Corporation
 FDA Headquarters, Inc.
 Fordham Commercial Redevelopment Corporation
 Friendly Homes Houses
 Governor’s Island Preservation and Education Corporation

Governor's Island Redevelopment Corporation
Grote Street Houses, Inc.
Harlem Canaan House, Inc.
Harlem Community Development Corporation
High Technology Incubators, Inc.
Highland Canalview Houses, Inc.
Horizons Waterfront Commission, Inc.
HUDC323 St. Nicholas Realty Corporation
Hudson River Park Conservancy, Inc.
Jespersen-Rochester Houses
Kennedy Square Houses, Inc.
Lower Manhattan Development Corporation
Mermaid Development Corporation
Metro-center Development Corporation
Mt. Morris West Development Corporation
New York Convention Center Development Corporation
New York Empowerment Zone Corporation
New York Harbor Preservation and Development Corporation
New York State Mortgage Loan Enforcement Corporation
Niagara Falls Development Corporation
Overcoat Development Corporation
Pennsylvania Station Redevelopment Corporation
Queens West Development Corporation
Rainbow Center Development Corporation
REBRAAF Development Corporation
Rochester-Goodman Street, Inc.
Rockland Manor Houses, Inc.
Roosevelt Island Development Corporation
Sea Park East Houses
Sea Park West Houses, Inc.
Seaport Redevelopment Corporation
South Fallsburgh Houses, Inc.
Southeast Loop Phase IIA Houses, Inc.
St. Paul's Upper Falls Housing Company, Inc.
Statewide Local Development Corporation
Times Square Hotel, Inc.
Times Square Subway Improvement Corporation
UDC Special Development Corporation
UDC/ALBEE Square Redevelopment Corporation
UDC/Aurora Development Corporation
UDC/Buffalo Avenue Redevelopment Corporation
UDC/Commercial Center, Inc.
UDC/Commodore Redevelopment Corporation
UDC/Greater Rochester, Inc.
UDC/Hanover, Inc.
UDC/Harlem Development Corporation
UDC/Harlem, Inc.
UDC/Love Canal, Inc.
UDC/St. George, Inc.
UDC/Ten Eyck Development Corporation I
UDC/Ten Eyck Development Corporation II
UDC/Ten Eyck Development Corporation III
Unity Park II (Niagara Park) Corporation
Upaca Town Houses, Inc.
Upper Lake Redevelopment Corporation
USA Niagara Development Corporation
West 45th Street Industrial Condominiums, Inc.
West Avenue Redevelopment Corporation
World University Games Corporation
Wright Manor (Phase I) Corporation
Wright Manor (Phase II) Corporation

Class B

Albany Port District Commission
Buffalo Fiscal Stability Authority
Charitable Asset Foundation
City University Construction Fund
Development Authority of the North Country
Hudson River Park Trust
Health Research, Inc.
Life Insurance Company Guaranty Corporation
Municipal Assistance Corporation for the City of NY
Municipal Assistance Corporation for the City of Troy
Nassau County Interim Finance Authority
Nassau Health Care Corporation
New York Racing Association
NYS Archives Partnership Trust
NY Wine/Grape Foundation
Ogdensburg Bridge and Port Authority
Port of Oswego Authority
Research Foundation for Mental Hygiene
Research Foundation of CUNY
Research Foundation of SUNY
SUNY Auxiliary Service Corporations:
 University Auxiliary Services at Albany, Inc.
 Auxiliary Campus Enterprises & Services (Alfred)
 Brockport Auxiliary Services Corporation
 Faculty Student Association (University at Buffalo)
 Faculty Student Association (Buffalo State)
 College Association (Canton)
 Faculty Student Association (Cobleskill)
 Auxiliary Services Corporation (Cortland)
 College Association at Delhi, Inc.
 Faculty Student Association (Downstate Medical – Brooklyn)
 Auxiliary Services Corporation (Farmingdale)
 Faculty Student Association (Fredonia)
 Campus Auxiliary Services (Geneseo)
 Morrisville Auxiliary Corporation
 Campus Auxiliary Services (New Paltz)
 Organization of Ancillary Services (Oneonta)
 College Auxiliary Services (Plattsburgh)
 Potsdam Auxiliary & College Educational Services, Inc.
 Purchase College Association
 Faculty Student Association (Stony Brook)
 Auxiliary Services Corporation (Upstate Medical – Syracuse)
Welfare Research, Inc.
Westchester County Health Care Corporation

Class C

Albany (city of) Housing Authority
Albany City IDA
Albany County Airport Authority
Albany County IDA
Albany Light, Heat, and Power Authority
Albany Municipal Water Finance Authority
Albany Parking Authority
Albany Pine Bush Commission
Albany Water Board
Albion (town of) Housing Authority
Alexandria Bay (village of) Housing Authority
Alfred, Almond, Hornellsville Sewer Authority
Allegany (town of) Housing Authority
Allegany IDA
American Museum of Natural History Planetarium Authority
Amherst IDA
Amsterdam (city of) Housing Authority
Amsterdam IDA
Amsterdam Parking Authority
Auburn (city of) Housing Authority
Auburn IDA
Babylon IDA
Batavia (city of) Housing Authority
Bath (village of) Housing Authority
Beacon (city of) Housing Authority
Beacon IDA
Bethlehem IDA
Binghamton (city of) Housing Authority
Binghamton Parking Authority
Booneville (village of) Housing Authority
Brookhaven IDA
Brookhaven (town of) Resource Recovery Agency
Broome County Resource Recovery Agency
Broome County Sports Center Authority
Broome IDA
Buffalo Municipal Housing Authority
Buffalo Municipal Water Finance Authority
Buffalo Sewer Authority
Cambria (town of) Housing Authority
Camillus (town of) Housing Authority
Canajoharie (village of) Housing Authority
Canandaigua Housing Authority
Canastota (village of) Housing Authority
Canton (village of) Housing Authority
Capital District Regional Off-Track Betting Corporation
Catskill (village of) Housing Authority
Catskill Regional Off-Track Betting Corporation
Cattaraugus IDA
Cayuga County Water and Sewer Authority
Cayuga IDA
Center Authority of Glens Falls
Central New York Regional Market Authority
Champlain IDA
Chautauqua IDA
Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier
Extension Railroad Authority
Chautauqua (county of) Sports, Recreation and Cultural Authority
Cheektowaga (town of) Housing Authority
Chemung IDA
Chenango IDA
Chittenango (village of) Housing Authority
Clarence IDA
Clayton (village of) Housing Authority
Clifton Park IDA
Clifton Park (town of) Water Finance Authority
Clifton-Fine Health Care Corporation
Clinton County IDA
Cohoes (city of) Housing Authority
Cohoes (City of) Parking Authority
Cohoes IDA
Colonie IDA
Columbia IDA
Concord IDA
Corinth IDA
Corning (city of) Housing Authority
Cortland (city of) Housing Authority
Cortland IDA
Coxsackie (village of) Housing Authority
Dekalb (town of) Housing Authority
Delaware County IDA
Dolgeville (village of) Housing Authority
Dunkirk (city of) Housing Authority
Dunkirk IDA
Dutchess County IDA
Dutchess County Resource Recovery Agency
Dutchess County Water and Wastewater Authority
East Hampton (town of) Housing Authority
East Rochester (village of) Housing Authority
East Syracuse (village of) Housing Authority
Eastern Rensselaer County Solid Waste Management Authority
Edwards (town of) Housing Authority
Elbridge (village of) Housing Authority
Elizabethtown (village of) Housing Authority
Ellenville (village of) Housing Authority
Elmira Heights (village of) Housing Authority
Elmira Housing Authority
Elmira Parking Authority
Endicott Parking Authority
Erie County IDA
Erie County Water Authority
Erwin (town of) Housing Authority
Erwin (town of) IDA
Essex County IDA
Essex (county of) Solid Waste Management Authority
Fairport IDA
Fallsburg (town of) Housing Authority
Fort Edward (village of) Housing Authority
Fowler (town of) Housing Authority
Frankfort (village of) Housing Authority
Franklin County IDA
Franklin (county of) Solid Waste Management Authority
Fredonia (village of) Housing Authority
Freeport (village of) Housing Authority
Fulton (city of) Housing Authority
Fulton County IDA
Fulton Parking Authority
Genesee County IDA
Genesee Valley Regional Market Authority
Geneva (city of) Housing Authority
Geneva IDA
Glen Cove (city of) Housing Authority
Glen Cove IDA
Glens Falls (city of) Housing Authority
Glens Falls IDA
Glenville (town of) Housing Authority
Gloversville (city of) Housing Authority
Goshen (town of) Housing Authority
Goshen (village of) Housing Authority
Gouverneur (village of) Housing Authority
Great Neck (village of) Housing Authority
Greater Rochester Sports Authority
Greater Troy Area Solid Waste Management Authority
Green Island (village of) Housing Authority
Green Island IDA

Green Island Power Authority
 Greenburgh (town of) Housing Authority
 Greene County IDA
 Greenport (village of) Housing Authority
 Groton (village of) Housing Authority
 Groton Village IDA
 Guilderland IDA
 Hamburg IDA
 Hamilton County IDA
 Harrietstown (town of) Housing Authority
 Hempstead (town of) Housing Authority
 Hempstead (village of) Housing Authority
 Hempstead IDA
 Herkimer (village of) Housing Authority
 Herkimer IDA
 Hermon (town of) Housing Authority
 Heuvelton (village of) Housing Authority
 Historic Rome Development Authority
 Hoosick (town of) Housing Authority
 Hornell (city of) Housing Authority
 Hornell IDA
 Horseheads (village of) Housing Authority
 Hudson (city of) Housing Authority
 Hudson IDA
 Hudson Parking Authority
 Hudson-Mohawk Urban Cultural Park Commission
 Huntington (town of) Housing Authority
 Ilion (village of) Housing Authority
 Island Park (village of) Housing Authority
 Islip (town of) Housing Authority
 Islip IDA
 Islip Resource Recovery Authority
 Ithaca Housing Authority
 Jamestown (city of) Housing Authority
 Jamestown Parking Authority
 Jefferson IDA
 Johnson City (village of) Housing Authority
 Johnson City Parking Authority
 Jordan (village of) Housing Authority
 Kaser (village of) Housing Authority
 Kenmore (village of) Housing Authority
 Kingston (city of) Housing Authority
 Kiryas Joel (village of) Housing Authority
 Lake Placid (village of) Housing Authority
 Lancaster (village of) Housing Authority
 Lancaster IDA
 Lansing (town of) Housing Authority
 Le Roy (village of) Housing Authority
 Lewis County IDA
 Liberty (village of) Housing Authority
 Lisbon (town of) Housing Authority
 Little Falls (city of) Housing Authority
 Liverpool (village of) Housing Authority
 Livingston County IDA
 Livingston County Water and Sewer Authority
 Lockport (city of) Housing Authority
 Lockport (town) IDA
 Long Beach (city of) Housing Authority
 Long Beach (City of) Parking Authority
 Long Island Job Development Authority
 Long Island Regional Ashfill Board
 Long Island Regional Market Authority
 Lowville (village of) Housing Authority
 Lynbrook (village of) Housing Authority
 Madison County IDA
 Malone (town) IDA
 Malone (village of) Housing Authority
 Mamaroneck (town of) Housing Authority
 Mamaroneck (village of) Housing Authority
 Marion (town of) Housing Authority

Massena Housing Authority
 Mechanicville (city of) Housing Authority
 Mechanicville-Stillwater IDA
 Medina (village of) Housing Authority
 Middletown (city of) Housing Authority
 Middletown IDA
 Middletown Parking Authority
 Monroe County Airport Authority
 Monroe County Water Authority
 Monroe IDA
 Monroe Regional Parking Authority
 Montgomery (town) IDA
 Montgomery County IDA
 Montgomery, Otsego, Schoharie Solid Waste Management Authority
 Monticello (village of) Housing Authority
 Montour Falls (village of) Housing Authority
 Mount Kisko Parking Authority
 Mount Kisko Housing Authority
 Mount Pleasant IDA
 Mount Vernon (city of) Housing Authority
 Mount Vernon IDA
 Multi-town Solid Waste Management Authority
 Nassau County IDA
 Nassau County Bridge Authority
 Nassau County Sewer and Storm Water Finance Authority
 Nassau Regional Off-Track Betting Corporation
 New Rochelle (city of) Housing Authority
 New Rochelle (city of) Parking Authority
 New Rochelle IDA
 New Square (village of) Housing Authority
 New York City Housing Authority
 New York City IDA
 Newark (village of) Housing Authority
 Newburgh (city of) Housing Authority
 Newburgh IDA
 Niagara (town of) Housing Authority
 Niagara County IDA
 Niagara Falls (city of) Housing Authority
 Niagara Falls (city of) Parking Authority
 Niagara Falls Public Water Authority
 Niagara Falls Water Board
 Niagara Town IDA
 Norfolk (town of) Housing Authority
 North Elba (town of) Housing Authority
 North Greenbush IDA
 North Hempstead (town of) Housing Authority
 North Hempstead (town of) Solid Waste Disposal Authority
 North Syracuse (village of) Housing Authority
 North Tarrytown (village of) Housing Authority
 North Tonawanda (city of) Housing Authority
 North Tonawanda (city of) Parking Authority
 Norwich (city of) Housing Authority
 Nyack (village of) Housing Authority
 Nyack (village of) Parking Authority
 NYC Educational Construction Fund
 NYC Health & Hospitals Corporation
 NYC Housing Development Corporation
 NYC Municipal Water Finance Authority
 NYC Off-Track Betting Corporation
 NYC School Construction Authority
 NYC Sports Authority
 NYC Transitional Finance Authority
 NYC Water Board
 Ogdensburg (city of) Housing Authority
 Olean (city of) Housing Authority
 Oneida (city of) Housing Authority
 Oneida City IDA
 Oneida County IDA
 Oneida County Sports Facility Authority

Oneida-Herkimer Solid Waste Management Authority
 Oneonta (city of) Housing Authority
 Onondaga County IDA
 Onondaga County Resource Recovery Agency
 Onondaga County Solid Waste Disposal Authority
 Onondaga County Water Authority
 Ontario County IDA
 Orange County IDA
 Orange County Water Authority
 Orangetown (town of) Housing Authority
 Oriskany Falls (village of) Housing Authority
 Orleans County IDA
 Ossining (village of) Housing Authority
 Oswego (city of) Housing Authority
 Oswego County IDA
 Owego Parking Authority
 Otsego County IDA
 Oyster Bay (town of) Housing Authority
 Painted Post (village of) Housing Authority
 Palmyra (village of) Housing Authority
 Patterson (town of) Housing Authority
 Pawling (village of) Housing Authority
 Peekskill (city of) Civic Center Authority
 Peekskill Parking Authority
 Peekskill IDA
 Philadelphia (village of) Housing Authority
 Philmont (village of) Housing Authority
 Plattsburgh (city of) Housing Authority
 Port Chester (village of) Housing Authority
 Port Chester IDA
 Port Chester (village of) Parking Authority
 Port Jervis (city of) Housing Authority
 Port Jervis IDA
 Port Jervis Parking Authority
 Potsdam (village of) Housing Authority
 Poughkeepsie (city of) Housing Authority
 Poughkeepsie (city of) Parking Authority
 Poughkeepsie IDA
 Putnam County IDA
 Queensbury (town of) Housing Authority
 Ramapo (town of) Housing Authority
 Rensselaer (city of) Housing Authority
 Rensselaer (City) IDA
 Rensselaer County IDA
 Rensselaer County Water and Sewer Authority
 Rensselaer Falls (village of) Housing Authority
 Riverhead IDA
 Rochester (city of) Housing Authority
 Rockland County IDA
 Rockland County Solid Waste Management Authority
 Rockville Centre (village of) Housing Authority
 Rome (city of) Housing Authority
 Rome (city of) Parking Authority
 Rotterdam (town of) Housing Authority
 Rotterdam IDA
 Rye (city of) Housing Authority
 Sackets Harbor (village of) Housing Authority
 Saint Johnsville (village of) Housing Authority
 Salamanca (city of) Housing Authority
 Salamanca Hospital District Authority
 Salamanca IDA
 Salamanca Indian Lease Authority
 Saratoga County Water Authority
 Saratoga IDA
 Saratoga Springs (city of) Housing Authority
 Saratoga Springs City Center Authority
 Schenectady City IDA
 Schenectady County IDA
 Schenectady Metroplex Development Authority
 Schenectady Municipal Housing Authority
 Schenectady Parking Authority
 Schoharie County IDA
 Schuyler County IDA
 Scotia (village of) Housing Authority
 Seneca County IDA
 Sherrill (city of) Housing Authority
 Sidney IDA-village
 Skaneateles (village of) Housing Authority
 Sleepy Hollow (village of) Parking Authority
 Sloatsburgh (village of) Housing Authority
 Solvay (village of) Housing Authority
 South Nyack (village of) Housing Authority
 Southampton (town of) Housing Authority
 Southeast IDA
 Spring Valley (village of) Housing Authority
 Spring Valley (village of) Parking Authority
 St. Lawrence County IDA
 Steuben County IDA
 Suffern (village of) Parking Authority
 Suffolk County IDA
 Suffolk County Judicial Facilities Agency
 Suffolk County Water Authority
 Suffolk Regional Off-Track Betting Corporation
 Sullivan County IDA
 Syracuse IDA
 Syracuse Parking Authority
 Thousand Islands Bridge Authority
 Ticonderoga (town of) Housing Authority
 Tioga County IDA
 Tompkins County IDA
 Tonawanda (city of) Housing Authority
 Tonawanda (town of) Housing Authority
 Transit Construction Fund
 Troy (city of) Housing Authority
 Troy Industrial Development Authority
 Troy Parking Authority
 Trust for Cultural Resources of the City of NY
 Trust for Cultural Resources of the County of Onondaga
 Tuckahoe Parking Authority
 Tully (town of) Housing Authority
 Tupper Lake (village of) Housing Authority
 Ulster County IDA
 Ulster County Resource Recovery Agency
 Union (town of) Housing Authority
 Upper Mohawk Valley Memorial Auditorium Authority
 Upper Mohawk Valley Regional Water Board
 Upper Mohawk Valley Regional Water Finance Authority
 Utica (City) IDA
 Utica Parking Authority
 Utica Transit Authority
 Waddington (village of) Housing Authority
 Walden IDA
 Wallkill (town of) Housing Authority
 Wallkill IDA
 Warren and Washington County IDA
 Warwick (town of) Housing Authority
 Warwick (village of) Housing Authority
 Water Authority of Great Neck North
 Water Authority of Southeastern Nassau County
 Water Authority of Western Nassau County
 Waterford (Town) IDA
 Watertown (city of) Housing Authority
 Watervliet (city of) Housing Authority
 Watkins Glen (village of) Housing Authority
 Wayne County IDA
 Wayne County Water and Sewer Authority
 Webster (village of) Housing Authority
 West Carthage (village of) Housing Authority
 West Winfield (village of) Housing Authority
 Westchester County IDA

Western Finger Lakes Solid Waste Management Authority
Western Regional Off-Track Betting Corporation
Wheatfield (town of) Housing Authority
White Plains (city of) Housing Authority
White Plains Parking Authority
Wilna (town of) Housing Authority
Wilton (town of) Water and Sewer Authority
Woodridge (village of) Housing Authority
Wyoming County IDA
Yates County IDA
Yonkers IDA
Yonkers (city of) Parking Authority
Yorktown (town of) Housing Authority

Class D

Buffalo and Fort Erie Public Bridge Authority
Niagara Falls Bridge Commission
Port Authority of New York and New Jersey
 New York and New Jersey Railroad Corporation
 Newark Legal and Communications Center Urban Renewal Corporation
 Port Authority Trans-Hudson Corporation

Compensation Statistics for Selected Public Authorities

Authority	Number of Employees	Employees Earning Over \$100,000	% Earning Over 100,000	Head Executive Salary
Battery Park City Authority	76	9	11.8%	\$181,125
Buffalo and Fort Erie Public Bridge Authority	105	1	1.0%	106,147
Capital District Transport Authority	644	1	0.2%	100,000
Dormitory Authority	630	39	6.2%	165,000
Empire State Development Corp	311	49	15.8%	145,000
Environmental Facilities Corp	124	5	4.0%	130,410
Long Island Power Authority	86	24	27.9%	135,000
MTA Long Island Rail Road	6,395	108	1.7%	172,010
MTA Metro -Suburban Bus Authority	1,129	9	0.8%	148,191
MTA Metro-North Commuter RRC	5,667	129	2.3%	172,500
MTA Metropolitan Authority Network	1,317	131	9.9%	192,500
MTA NYC Transit	48,110	645	1.3%	*283,068
MTA Triborough Bridge and Tunnel Authority	1,716	19	1.1%	167,500
Niagara Frontier Transportation Authority	1,469	5	0.3%	146,970
NY Convention Center Operating Corporation	3,436	9	0.3%	162,260
NY Energy Research and Develop. Authority	199	11	5.5%	126,010
NY Housing Finance Agency	67	23	34.3%	178,854
NY Olympic Regional Development Corp	227	1	0.4%	130,000
NY Thruway Authority	3,250	35	1.1%	159,500
NYS Bridge Authority	159	2	1.3%	137,703
Port Authority of NY & NJ	6,291	466	7.4%	225,004
Power Authority of NY	1,574	176	11.2%	206,000
Rochester-Genesee Regional Transport Authority	731	2	0.3%	127,819
Roosevelt Island Operating Corp	90	5	5.6%	144,311
Roswell Park Cancer Inst. Corp.	1,535	132	8.6%	485,000
State of New York Mortgage Agency	113	13	11.5%	178,854
State University Construction Fund	102	10	9.8%	**174,900
Staten Island Rapid Transit Operating Authority	307	4	1.3%	140,124

* Salary for Authority President

** Reflects previous General Manager because information was not available for acting GM

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