



NEW YORK STATE SENATOR

James L. Seward

Authority Reform

JAMES L. SEWARD December 31, 2009

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While the debate over the state budget was rightfully grabbing headlines over the past few weeks, other pieces of important legislation were also discussed and voted on in Albany. Among those receiving approval was senate bill 1537B, authority reform. This important reform measure, which has been signed into law by the governor, shines a light on the sometimes murky actions of the more than 800 public authorities operating in New York state.

Public authorities are quasi-governmental agencies created for a public purpose. Authorities at their best have the ability to finance public improvement projects without increasing taxes. Literally billions of dollars are expended each year by the scores of authorities throughout New York. Unfortunately, a number of misconduct cases concerning authorities

earlier in the decade revealed the need for real accountability measures. Ongoing legislative hearings into the events at the Thruway Authority, the Canal Corporation and the Metropolitan Transportation Authority (MTA) have shown the need for significant improvements in transparency and responsiveness.

In 2005 the Public Authority Accountability Act was passed making authorities more accountable and transparent. The measure though was just a first step, and in 2006 the Commission on Public Authority Reform offered recommendations for even greater oversight. Many of the commission's recommendations were incorporated into the new authority reform law.

Provisions in the new law include:

- The creation of the Office of Authorities Oversight with the staff and budget to financially review public authorities. The OAO will be independent with a director who will serve a four year fixed term;
- Amending the 2005 law to toughen rules governing the sale of property by public authorities;
- Adding to and strengthening provisions governing public authorities' boards of directors. The new law will strengthen provisions of the 2005 law with regard to board accountability and reform;
- Providing the state comptroller with the power to approve certain public authority contracts over \$1 million;
- Creation of strict new rules to control public authority debt. Boards of directors will submit to the OAO limitations on public authority debt and the OAO will submit to the legislature and governor recommendations on reforming debt issuance by public authorities;

- Subjecting all public authority subsidiaries and affiliates to the provisions of the public authorities law and prohibiting the creation of new subsidiaries or affiliates without specific legislative authorization;
- Creation of a “whistleblower access and assistance program” to protect those individuals who report wrongdoing;

The head of the Commission on Public Authority Reform, Ira Millstein, called the legislation historic and said it will benefit the citizens of the state of New York. I agree wholeheartedly. Anytime we can increase government transparency the public wins.

As we start the new year we need to keep the authority reforms in mind as we work toward other important changes that will shed light on the inner workings of state government. In 2009 important steps were taken to create a more open state senate. Historic reforms were enacted creating a more open, bipartisan and member driven senate. These long overdue reforms enable all senators to move bills to the floor, give the public a greater window into the legislative process through the internet and will soon clear the way for new CSPAN style television programming. While these changes will improve our ability to work on behalf of the people, more can be done.

We need a strong voice in Albany speaking on behalf of struggling families and upstate businesses desperate for a change. I will be that voice, and I will continue the call for openness and transparency in state government. Stronger ethics laws, a state spending cap and measures such as initiative and referendum are steps we can take to restore public confidence in government and move our state forward.