



New York State Comptroller
THOMAS P. DiNAPOLI

LABOR

New York

Winter 2017

A MESSAGE FROM THE COMPTROLLER

Welcome to the winter edition of *Labor New York*.

These are uncertain times for New Yorkers, with a new administration taking office at the federal level and the State facing the prospect of significant budget constraints in the coming fiscal year. One issue that is likely to receive more attention in the days and months ahead is the question of college affordability. We have included an article inside about the burgeoning student debt burden in New York State. The challenge of paying for higher education will continue to loom large for New York families, and deserves serious analysis and discussion.

New York residents also have reason to expect some serious efforts to enhance integrity and promote efficiency in government this legislative session. I have proposed a package of commonsense reforms to the State's procurement process (detailed within), including measures which would rectify current weaknesses in the oversight system and help avoid the type of scandals that have afflicted some of the State's economic development efforts recently.

Also inside, you'll read about our State's vibrant immigrant population, the Thruway Authority's continuing financial struggles, as well as a profile on Janella T. Hinds, the Secretary-Treasurer of the New York City Central Labor Council (NYCCLC).

I hope you enjoy our newsletter, and I look forward to working with you in 2017.



The Comptroller speaking at the New York State AFL-CIO 33rd Constitutional Convention in New York City.



Harry Nespoli, President of the Uniformed Sanitationmen's Association, Local 831, is honored at the Comptroller's annual "Salute to Italian Heritage and Culture" event in New York City.



The Comptroller with Wayne Spence, President of the New York State Public Employees Federation (PEF), at the 38th Annual PEF Convention in Rochester.

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DiNAPOLI CALLS FOR STATE PROCUREMENT REFORM

In December 2016, State Comptroller Thomas P. DiNapoli recommended a set of reforms to New York State's procurement practices. The proposed reforms would help prevent waste, fraud and abuse, and promote transparency and accountability. Over the past year, federal and State prosecutors have uncovered evidence of corruption in State contracting for economic development purposes, leading to criminal charges and underscoring the need for change.

The Office of the State Comptroller (OSC) is responsible for reviewing and approving State agency contracts above \$50,000 as well as certain State public authority contracts over \$1 million. The Comptroller's independent oversight helps ensure that competition for State business is fair and that the State receives the best possible value for taxpayer dollars. In 2015, OSC reviewed 21,381 contracts worth more than \$169 billion.

However, in recent years, Executive and Legislative actions have eroded OSC's oversight authority. In 2011, for example, OSC oversight was eliminated for construction and

construction-related contracts issued by SUNY and CUNY. In 2012, oversight of centralized contracts through the Office of General Services (OGS) was removed. In 2015, State agencies issued over \$6.8 billion in contracts without the Comptroller's review.

The package of reforms proposed by Comptroller DiNapoli includes: restoring OSC's independent oversight of SUNY, CUNY and OGS contracts; prohibiting the use of not-for-profit entities to bypass procurement laws and avoid transparency; subjecting State public authorities to the same strict procurement requirements State agencies must follow; and strengthening rules governing disclosure and ethics for employees and board members.

In announcing the proposed reforms, Comptroller DiNapoli emphasized that "New York State must take credible steps to re-establish the public's faith in government." As government contracting has grown in size and complexity, the Comptroller's independent oversight, established over a century ago, has become more important than ever.

NEW YORK STATE IS HOME TO 4.4 MILLION IMMIGRANTS

Immigrants comprise 22 percent of New York State's population, or 4.4 million people—well above the national average of 13 percent—according to a November 2016 report by the Office of the State Comptroller. Recent arrivals have helped stabilize the populations of some upstate cities and driven growth in other areas, such as New York City and Long Island.

Most immigrants to New York are long-established residents, with over two-thirds having entered the United States before 2000. Comptroller DiNapoli noted that "Most immigrants in New York are well-educated and actively participate in the workforce." Indeed, almost three-quarters of the State's foreign-born adults over the age of 25 have a high school education or more, with nearly 48 percent having completed some college.

More than 90 percent of all New York's immigrants live in New York City, Long Island and the Hudson Valley, with nearly 75 percent of the 631,000 immigrants who arrived between 2010 and 2015 settling in New York City. Another 73,000

recent immigrants have made their homes in upstate cities, primarily Buffalo, Rochester and Syracuse. While New York City naturally has the highest concentration of immigrants at 37 percent, Utica—which has a long history as a melting pot—leads all upstate cities, with immigrants constituting 18 percent of the total population. For Buffalo, Rochester, Syracuse, Albany and Schenectady, the figure is over 10 percent.

The highest proportion of immigrants in New York State—nearly half—comes from Latin America. In the Mohawk Valley, Eastern Europeans, particularly immigrants from Bosnia and Herzegovina, are a notable presence, while in the Southern Tier, Asian immigrants account for more than half the foreign-born, with nearly a third from China, Japan and Korea. The North Country has the highest proportions of Canadians, Australians and South Pacific islanders of any of the State's regions. "The rich diversity of cultures and experiences" reflected in New York's immigrant population, as Comptroller DiNapoli observed, "helps make our State strong."



Comptroller DiNapoli addressing the New York State United Teachers Retiree Contiguous Meeting in Albany.



The Comptroller with attendees at a meeting for western New York labor leaders in Niagara Falls.

LABOR LEADER PROFILE:

JANELLA T. HINDS, SECRETARY-TREASURER, NEW YORK CITY CENTRAL LABOR COUNCIL

Janella T. Hinds is the Secretary-Treasurer of the New York City Central Labor Council (NYCCLC). An umbrella labor organization representing 1.3 million workers in 400 unions, the NYCCLC is devoted to creating a more just and prosperous future for the working people of New York City.

Ms. Hinds began her union career in Brooklyn public high schools, working as a social studies teacher, dean, student council advisor and conflict resolution specialist. She soon became active in the City teacher's union, the United Federation of Teachers (UFT), and later took a position as Public Policy Director with the New York State AFL-CIO.

In 2006, Janella returned to the UFT as a special representative, charged with advocating for struggling schools and making sure educators' voices were more centrally incorporated in policy discussions surrounding evaluation and governance. Since 2012, Hinds has served as the UFT's Vice President for academic high schools.



In 2011, Janella Hinds was elected Secretary-Treasurer of the NYCCLC, becoming the first African American to hold that position. In 2015, Hinds and her running mate, Vincent Alvarez, the organization's first Latino president, won re-election by a strong margin.

Janella is a member of the American Federation of Teachers' Black and Latino caucuses, the A. Philip Randolph Institute and the NAACP, among other affiliations. She also serves on the executive board of the New York State AFL-CIO/Cornell University Union Leadership Institute.

Known for her commitment to an active, engaged and inclusive labor movement that seeks to promote solidarity throughout the community, Janella Hinds continues to fight for working men and women in New York City.

A resident of Brooklyn, Janella graduated from Princeton University and New York University. She is a member of Delta Sigma Theta sorority.

THRUWAY AUTHORITY NEEDS PLAN TO MEET FUTURE COSTS

The New York State Thruway Authority will continue to face fiscal challenges, despite recent cost control efforts and increased State financial assistance, according to a November 2016 audit report issued by State Comptroller Thomas DiNapoli. In particular, sections of the Thruway and its bridges are over 60 years old. Many of these "aging roads and bridges require significant work or repair," DiNapoli emphasized. "The Thruway Authority should develop a better roadmap for the future," he added, calling for the Authority to develop a comprehensive, long-term strategic plan to cover ongoing and future capital needs.

The Authority is responsible for overseeing and maintaining the New York State Thruway, a 570-mile tolled highway system that spans the State. In addition, from 1992 through 2016, the Authority was responsible for the 524-mile New York State Canal System. (Although the New York Power Authority now manages the canals, the Authority does not expect to save money on the reassignment due to other changes in how the State Police are to be paid.) Last year,

the State provided nearly \$1.3 billion to the Authority for the replacement of the Tappan Zee Bridge and other costs.

Auditors acknowledged that the Thruway Authority had made significant fiscal progress in recent years, including reducing personal service costs, implementing a system to reduce toll evasion and holding operating expenses to budgeted amounts. The Authority saved an average of \$26 million a year in payroll and benefit expenses from 2010 through 2014 due to workforce reductions.

Despite such improvements, significant financial concerns remain. Annual operating losses increased from \$126 million in 2010 to \$227 million in 2014. In addition to spending down reserves, the Authority's borrowing has increased during this period. Consequently, total liabilities have risen nearly 80 percent, from \$3.5 billion in 2010 to \$6.4 billion in 2014. Meanwhile, only about 10 percent of Thruway roads and 20 percent of bridges have been replaced or thoroughly reconditioned, and Authority officials estimate it would cost \$13 billion to address these current needs.

STUDENT LOAN DEBT DOUBLED DURING LAST DECADE

In September 2016, Comptroller DiNapoli released a report on student loan debt which revealed that the average New Yorker with college loans owed \$32,200 in 2015, surpassing the national average of \$29,700. In New York, student loan debt more than doubled during the last decade, growing to \$82 billion from \$39 billion, an increase of 112 percent.

As DiNapoli pointed out, New Yorkers know that higher education may offer a path to a “more satisfying and secure life,” but many recipients of college loans face “real difficulties” in repaying their obligations. The number of student loan borrowers in the State has risen sharply (by 40 percent) from 2006 to 2015, reaching 2.8 million. Student loans represented 11.4 percent of the \$722 billion in total outstanding consumer debt in New York in 2015. Moreover, these figures for student debt don’t include

other debt that families and individuals may incur to pay for college, such as home equity loans, borrowing from retirement accounts and credit card debt.

Rising college costs have been one factor in the growth of student debt. From 2005-06 through 2014-15, average costs for tuition, fees, room and board at four-year colleges and universities rose by more than 50 percent for private schools and for in-state students attending public schools in New York.

In an encouraging note, default rates for student loans declined in New York from 2012 to 2014. However, the report found that default rates varied greatly, with students who attended for-profit schools three times more likely to default than those from private nonprofit colleges.



The Comptroller delivering keynote remarks at the New York State Fraternal Order of Police Biennial Conference in Albany.



The Comptroller speaking at the Retired Public Employees Association (RPEA) Annual Meeting in Albany.



The Comptroller with Tara Martin of the New York State Nurses Association (NYSNA) at the NYSNA Biennial Conference in New York City.



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If you have any comments or suggestions for future topics to be addressed in this newsletter, **we want to hear from you!**

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