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Inconvenience Pay Update

January 23, 2007

NYSCOPBA continues to pursue implementation of the inconvenience pay that is long overdue as constant communication continues with the NYS Comptroller's Office and DOCS.

DOCS' payroll has informed NYSCOPBA that they are ready to implement the inconvenience pay. Unfortunately, DOCS is still waiting for a payroll bulletin from the NYS Comptroller's Office.

As you can see from the attached newspaper article, this is what NYSCOPBA is up against while trying to get the inconvenience pay implemented.

L. Flanagan, Jr.

Monday January 22, 2007

New York's comptroller has world-class financial power Next one will serve without public's say

By Jay Gallagher
Albany Bureau Chief

ALBANY -- The now -vacant office of the New York state comptroller "controls more money than anyone else on the planet," according to a recent Forbes magazine story.

Not only that, but the position also is among the most powerful fiscal offices in any state, with broad auditing, managerial and oversight functions that most other states divide into several jobs.

"The New York comptroller is definitely one of the most powerful, if not the most powerful, office of its type in the country," said Pat O'Connor of the National Association of State Auditors, Comptrollers and Treasurers.

The job has been vacant since Dec. 22 when Alan Hevesi, who was re-elected to a second four-year term in November, quit after he admitted defrauding the government by using a state employee as his wife's chauffeur and errand-runner. The state Legislature is due to pick a replacement by the end of the month, and a screening panel is holding a hearing Tuesday to whittle the field of 18 applicants down to five.

Whoever gets the job will have responsibilities that include:

- * Managing the \$145 billion state pension fund, which gives him or her the most financial power of any individual in the world.
- * Reviewing 44,000 state contracts a year, worth about \$85 billion.
- * Conducting 300 annual audits of government agencies.
- * Handling a \$12 billion annual payroll for 250,000 state workers.
- * Managing an office of 2,400 employees.

Comptrollers most often make news when they say no. Hevesi clashed with former Gov. George E. Pataki when he rejected contracts for development rights along the Erie Canal. Hevesi, a Democrat, said bids were politically rigged. He once accused the Metropolitan Transportation Agency of keeping two sets of books and hiding money to justify a subway toll hike. And he angered local-government officials when he steeply raised the amounts he said they had to contribute to the pension fund.

"Comptrollers are often marginalized and treated as scolds, but their function is very important," said Gerald Benjamin, a SUNY -New Paltz dean and academia's leading expert on New York state government.

He also pointed to the "significant cross-pressures" on the comptroller to, for instance, maximize returns on the pension fund, but also make socially desirable investments and help out economically troubled regions of the state by putting money into local firms.

Former comptrollers Edward Regan, H. Carl McCall and Hevesi have clashed with governors who wanted to raid pension-fund money, or reduce taxpayer contributions to the pension fund when the state budget was under pressure. Such actions, while carrying a political risk, generally sit well with voters.

Lawmakers will have to decide what skills and experience are most important in the state's chief fiscal officer: political

ability, managerial talent, investment acumen?

"You don't have to be a fiscal expert -- you just have to hire the best fiscal experts," said Assemblyman John McEneny, D-Albany. In fact, the comptroller's office employs a team of market analysts who are largely responsible for investment decisions.

Indeed, others agreed that character and honesty are the top prerequisites, but that little in Hevesi's background suggested he would finish his career in disgrace. Hevesi is a former lawmaker, college professor and comptroller of New York City. He pleaded guilty to a felony and repaid the state \$206,000 in a plea bargain to avoid a jail term.

And there are temptations. The comptroller controls about \$300 million a year in fees to investment advisers to the pension fund. And he or she has to raise millions of dollars in campaign donations to run for re-election.

But beyond basic character, there is disagreement about what other skills are most important. Gov. Eliot Spitzer has stressed that the successful candidate should have strong financial credentials, while others, including some of the candidates holding elective office, have emphasized the political nature of the job.

Regan mentioned political skills when asked about key qualifications. "You need a temperament for public life and a feel for public policy," said Regan, who served from 1978 to 1993. "You might very well get candidates who have great financial background, CPAs, but don't belong in front of an audience."

"We need somebody we are clear they will act independently," said McCall, who succeeded Regan and served until 2002. He added the comptroller needs to be a good manager who will "select good people."

Subtler skills are needed as well.

"There is a need to strike the right balance between oversight of state agencies and letting them manage their own affairs," said Brian Stenson, deputy director of the SUNY's Rockefeller Institute and a former SUNY vice chancellor in charge of finances.

There is also concern that whoever is named comptroller won't have the independence usually associated with the office since he or she will be appointed to the job rather than elected for almost the full four-year term.

"This is very strong evidence of the need for a special election to fill statewide offices," Benjamin said, acknowledging it would take amending the state constitution to force a change. "I don't think this manner of filling a statewide office for such a long period is desirable."