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The Authorities Budget Office Issues Its 2013 Annual Report

The Authorities Budget Office released its annual report on the finances and activities of New York's 574 state and local authorities. For the first time, the ABO's report provides the public with a five year perspective on the expenses, debt, staffing, and compensation practices of state and local authorities.

The report looks at information provided by authorities dating to 2008. Observations and findings presented by the ABO include:

- The operating expenses of state authorities increased at approximately the same rate as state government spending over the last 5 years.
- State authorities ended 2012 with \$151.1 billion in outstanding debt, an 18.6 percent increase since 2008. However, debt issued by state authorities for their own public purposes declined as a percentage of total outstanding debt from 40.8 percent to 27.3 percent. At the same time, the percentage of outstanding debt issued by state authorities at the direction of state government for purposes unrelated to the mission of these authorities increased from 34.9 percent to 38.9 percent. Conduit debt, issued on behalf of third parties, rose to 33.8 percent of all outstanding state authority debt.
- Outstanding IDA debt has declined from \$21.7 billion in 2008 to \$16.4 billion in 2012. This may be attributable to the fact that since 2008 IDAs have been prohibited from issuing debt for civic facilities. At the same time, there has been a dramatic increase in debt outstanding reported by not-for-profit local authorities, which are increasingly used to finance these projects. These local authorities closed 2012 with \$11.5 billion in debt.
- Employee bonus programs were in effect at 18 public authorities in 2012. These programs awarded bonuses to more than 2,200 staff. Bonuses in excess of \$10,000 were paid to 64 staff, primarily at medical centers and regional transportation centers.
- The ABO looked at IDA projects that were first approved in 2008 and remained active in 2012. These 280 projects have received nearly \$183 million in financial assistance based on commitments to create 9,100 new jobs. In 2012, the IDAs reported these projects have

actually generated 1,642 fewer jobs over five years than were committed to in the financial assistance agreements.

- The ABO cited 155 authorities as non-compliant with the public accountability, transparency and disclosure requirements of state law. These authorities are subject to additional enforcement action should they remain delinquent filing financial and operating information with the ABO. In 2012, the ABO officially censured the boards of directors of six authorities for chronic failure to meet their corporate governance responsibilities.

The complete ABO Annual Report, and a list of all delinquent authorities, is available at: <http://www.abo.ny.gov/reports/annualreports/ABO2013AnnualReport.pdf>

The Authorities Budget Office (ABO) was created as an independent office pursuant to Chapter 506 of the Laws of 2009 (“The 2009 Public Authorities Reform Act”). The mission of Authorities Budget Office is to make public authorities more accountable and transparent, and to act in the public interest consistent with their intended purpose.