



2014 QUESTIONNAIRE FOR CANDIDATES FOR THE OFFICE OF COMPTROLLER

Citizens Union would appreciate your responses to the following questions related to policy issues facing the State of New York and our interest in reforming how state government operates. Responses to these questions will be one of several factors Citizens Union will use to evaluate candidates running for office in order to determine our "Endorsed Candidates" for the General Election.

We plan to make public your responses to this questionnaire in our Voters Directory and in other appropriate venues. We thank you very much for your response.

Candidate Name: Thomas P. DiNapoli Age: 60

Campaign Address: DiNapoli 2014 PO Box 1776 Mineola, NY 11501

Campaign Telephone Number: ( 646 ) 642-8740 Fax: ( )

Party Affiliation(s): D, WFP, I Campaign Manager Name: Jeremy John

Website & Email: DiNapoli2014.com jeremymjohn@gmail.com

Education: BA Hofstra, History, Magna Cum Laude; MA New School, Graduate School of Management and Urban Professions

Occupation/Employer (or years in currently held elected office): NYS Comptroller since 2007

Previous Offices and Campaigns: NYS Assembly 1987-2007; Mineola Board of Education 1972-1982

Are you willing to be interviewed by CU's Local Candidates Committee? YES X NO (Please note: Citizens Union can grant its "Preferred Candidate" and "Endorsed Candidate" rating only to candidates we have interviewed.)

Have you completed requisite campaign finance filings? YES X NO

Signature of Candidate: T.P. DiNapoli Date: 12/7/14

**I. REFORM ISSUES**

**ELECTION REFORM**

1. What is your position on Proposition One on the November ballot which will amend the constitution to create an independent commission with appointees split evenly between the majority and minority parties?	Oppose
2. What is your position on amending the constitution to allow for no-excuse absentee voting?	Support
3. What is your position on instituting early voting in New York State to allow voters to cast their votes at more convenient times over a period of several days?	Support
4. What is your position regarding automatic voter registration in which voter registration information of individuals who consent to be registered is provided electronically to the Board of Elections, and address information is updated automatically?	Support
5. What is your position on consolidating the state and federal primary to the third week in June, while ensuring that the legislative session ends at least two weeks prior?	Support
6. What is your position on restructuring the state Board of Elections and changing the administration of elections by amending the constitution to abolish the strict two-party division of governance and operation?	No position
7. What is your position on amending the constitution to allow for Election Day Voter Registration?	No position
8. What is your position on automatically granting New Yorkers on parole the ability to vote? Currently those on parole may obtain a Certificate of Good Conduct or Relief to have their right to vote restored, but few of these are granted, and they cannot be applied for immediately upon release.	Support

**CAMPAIGN FINANCE REFORM**

9. What is your position on establishing a matching public financing system for state legislative and statewide races similar to the New York City model?	Support
10. What is your position on lowering campaign contribution limits for legislative and statewide candidates for public office?	Support
11. What is your position on limiting or banning campaign contributions from corporations, LLCs, and LLPs? (Note: such entities would have the constitutionally-protected right to form separate political action committees.)	Support
12. What is your position on closing "soft money" loopholes such as limiting transfers from party committees to candidates or other committees to twice the limit set on individual contributors and limiting contributions to party committees, including housekeeping accounts, to the same ceiling placed on candidates?	Support concept
13. What is your position on requiring candidates to include the full name, home address, and employer/business name for each contribution and bundler?	Support
14. What is your position on stricter requirements on the use of campaign contributions for non-campaign related activity, such as personal use?	Support
15. What is your position on improving disclosure of independent expenditures such as requiring disclosure of electioneering activities?	Support
16. What is your position on limiting the ability of candidates to accumulate "war chests" and then transferring funds raised in one race to another in which they run?	Support
17. What is your position on clarifying the definition of coordination between candidates and political committees to ensure candidate contribution limits are not exceeded, and expenditures and contributions are properly reported?	Support

**JUDICIAL REFORM**

18. What is your position on a merit-based appointment system through creation of a commission for the selection of judges in all of New York’s trial courts?	Support
19. What is your position simplifying and modernizing the state’s court system by consolidating the nine trial courts into a two-tiered system?	Support

**ETHICS REFORM**

20. What is your position on empowering the Attorney General to investigate and prosecute cases involving public corruption, including serious election law malfeasance?	Support
21. What is your position on amending the State Constitution to extend pension forfeiture, subject to due process safeguards, to all public officers and legislators who have been convicted of felonies?	Support

**BUDGET REFORM**

22. What is your position on requiring the governor’s budget submission to present the full scope of the state’s financial obligations, including its public authorities?	Support
23. What is your position on ensuring adequate disclosure and itemization of discretionary funds, including member items and lump sum funds, as well as reporting on their usage?	Support
24. What is your position on incorporating the use of performance budgeting and outcome measurement to promote the more rational appropriation of state funds?	Support
25. What is your position on limiting the ability of the governor to enact policy changes governing the use of resources in appropriation bills by requiring that such bills be consistent with existing law or proposed changes in separate legislation?	Support

**ADDITIONAL REFORM**

26. What is your position on having the Executive Director of the Port Authority of New York and New Jersey appointed directly by the Board of Commissioners, and having the position of Chair of the Board rotated between representatives of New York and New Jersey, as appointed by the respective governors?	No position
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Regarding your views on the issues listed previously, the questions below are intended for candidates to further describe their positions on these and other issues related to political reform.

- 1. What reforms do you think are necessary to promote a timelier, more transparent, and more accountable budget process? What is your view of applying GAAP (Generally Accepted Accounting Principles) to the state’s budget? What is your position on the creation of an independent budget office?**

Since taking office in 2007, improving transparency and accountability across all of State government has been a priority. In my budget and policy reports, I have highlighted the need for improvements to the State budget process and practices related to revenue, spending, debt and capital planning. I have advanced a package of bills, which have been introduced in both houses of the Legislature, to provide a new framework for how State budgets would be proposed, negotiated and implemented. It provides a new discipline for revenue and spending estimates; requires that financial plans address out-year deficits; ends back-door borrowing and provides voters with an opportunity to have input on major borrowing decisions that impact them directly; and advances other reforms to enhance transparency and move the State toward structural balance.

The reform package would:

- Require a three-year gap-closing plan
- Strengthen consensus forecasting
- Increase reserves
- Restrict the use of one-shots
- Require negotiation of budget publicly through conference committees
- Strengthen capital planning
- Enact true debt reform
- Enhance transparency in budget documents.

These reforms could be accomplished through many methods, including statutory or Constitutional amendments, and controls in bond covenants.

Moving the State to GAAP-based budgets, which could improve fiscal discipline, deserves a thoughtful analysis.

I take very seriously and hold in utmost regard the need for an independent voice in all matters associated with the State's financial picture. Since the State does not have an independent budget office, the Office of the State Comptroller functions as that independent voice.

**2. Do you believe that the current balance of power between the governor and the legislature in the budget process is appropriate? What steps do you believe are necessary, if any, to change this balance? Do you support instituting a later start date to the state fiscal year to allow for more deliberation by the legislature?**

The budget process in New York State is driven largely by the Executive. Recent court cases have further strengthened the Executive's powers with respect to limitations on the Legislature's ability to modify the Executive Budget proposal. That said, there are many aspects of the process that provide opportunities for the Legislature to effectuate meaningful change, including the Quick Start Budget process in November, which brings all parties to the table and helps inform the budget discussion; the Revenue Consensus process in February, which ensures legislative input to the financial plan revenue picture; and Legislative Budget Conference Committees. The extent to which the Legislature has utilized these and other tools to effect changes in the budget has varied over the years.

From a broader perspective, greater legislative participation can help insure a budget that is more representative of the views of the wide and varied constituencies that exist across the State. To the extent measures, such as the robust use of conference committees, can be utilized to more thoroughly engage and incorporate a broader representative view, the better.

I do support a later start date to the state fiscal year to allow for more information about revenues, more deliberation by the legislature and more review by the public.

**3. What is your view on continuing the office's current executive order which prohibits the New York State Common Retirement Fund from doing business with investment advisors who have made political contributions to the state comptroller, and which bans involvement of placement agents, paid intermediaries, and registered lobbyists in investments with the fund?**

I fully support the continuation of the Executive Order, which I issued in April of 2009, that made the New York State Common Retirement Fund (CRF) the first public pension fund in the nation to ban placement agents, paid intermediaries and lobbyists from investment transactions. In addition, I believe that the ban should be made a permanent part of New York State law, and have advanced legislation to codify these provisions. I fully support the pay-to-play prohibitions.

**4. What is your position regarding generally instituting pay-to-play contribution limits for those who do business with or lobby the state? What is your view of the current pilot program for public financing for the comptroller's race this year? If elected, would you set an example on campaign finance reform by voluntarily limiting the size of campaign contributions you receive by an amount significantly less than the current limit, if reforms are not enacted?**

Pay-to-play is best addressed through meaningful, comprehensive campaign finance reform. As a long-time champion of campaign finance reform, I was hopeful that this year we would see a thorough, all-inclusive and workable plan that would reduce big money's influence on Albany politics. But after carefully reviewing the very limited pilot program for public financing that was passed – I could not opt-in. This was not the comprehensive reform New Yorkers deserve. Fixing this system should be broad-based and long lasting, and a one-year proposal affecting just a single race does not come close to passing that test. It was not timely or fair, and it was dependent on an overburdened State Board of Elections for implementation. I look forward to the day when all state candidates in New York will have the option of utilizing a fair, comprehensive and workable campaign finance program, diminishing the risk of pay-to-play contributions from lobbyists or those who do business with the state having an impact on policy and fiscal decisions.

**5. What steps do you believe need to be taken to ensure better ethical conduct of state elected official and public officers, both within the Office of the State Comptroller and generally within state government? How can the Office of the State Comptroller use its powers to uncover corruption in state government?**

After taking office as Comptroller, my chief mission was to restore the Office's high ethical standards and its credibility, particularly with regard to the pension fund. Based on recommendations made by a special Pension Task Force and working with then Superintendent of Insurance (now Superintendent of Financial Services), I strengthened the oversight of the Fund and instituted reforms. Reforms included banning the involvement of placement agents, paid intermediaries and registered lobbyists in investments with the Fund; prohibiting the Fund from doing business with any investment adviser who has made a political contribution to the State Comptroller or a candidate for State Comptroller; releasing monthly reporting on investment transactions and quarterly reporting of investment results; creating an Inspector General position to monitor and review investment transactions and the activities of the Comptroller and all OSC employees; requiring mandatory ethics training program for all staff, including the Comptroller; partnering with the State Insurance Department to develop new regulations governing the

operations of the Fund; and requiring a fiduciary and conflict of interest review every three years. The latest independent review of the Fund by Funston Advisory Services in February 2013 found the Fund operates with an industry-leading level of transparency and that its employees act within ethical and professional standards.

As Comptroller, fighting public corruption has been a top priority since I took office in 2007. My office's audits and investigations have led to nearly 80 arrests and almost \$12 million recovered in the last two years alone. We routinely work with federal, state and local law enforcement. In 2011, I joined forces with Attorney General Schneiderman to create our Joint Task Force on Public Integrity. We have had numerous convictions, including that of former state Sen. Shirley Huntley and her co-conspirators in a member item fraud, and most recently our joint efforts led to the arrest of Assemblyman William Scarborough. In 2014, I redoubled these efforts by expanding our own Division of Investigations. I have also championed legislative proposals to address public corruption, including my campaign finance bill (A.7394/S.4239-A); my legislation that would enhance penalties for any crime where a public servant misuses his or her office to commit a crime for personal gain (A.3629/S.4044), which was cited in both the preliminary report from the Moreland Commission (Dec, 2013), and the report from District Attorney Cyrus Vance's White Collar Crime Task Force (Sept, 2013), as an important tool in the fight against public corruption; and my pension forfeiture bill, which was substantially enacted as part of the Public Integrity Act of 2011.

**6. What is your view regarding the establishment of an independent board to help the comptroller oversee investments rather than maintaining the comptroller as the sole trustee?**

I believe having the Comptroller as the sole fiduciary provides a clear line of responsibility. This structure helps to protect the New York Common Retirement Fund from harmful manipulations other states have experienced with alternate structures. Maintaining public trust is vital. To restore accountability, I implemented greater oversight, enhanced transparency in fund operations and banned lobbyists from investment transactions. These reforms were validated by an independent fiduciary review. As trustee, I will continue to prioritize accountability and ethics, and will continue to work closely with both the Investment Advisory Committee and the Real Estate Advisory Committee, which are comprised of a diverse array of experts, who provide on-going independent guidance to my investment staff and me.

**7. What steps, if any, should be taken to promote greater transparency and accountability of our state's public authorities? How would your office partner with the Authorities Budget Office to ensure the state's authorities are operating efficiently and in the public interest?**

Public authorities often do business out of the public eye, but they are responsible for overseeing billions in taxpayer dollars and assets. From the beginning of my first term as Comptroller, I have prioritized work to promote greater transparency and accountability of our state's public authorities.

In 2007, my Office launched the Public Authority Reporting Information System (PARIS), an electronically accessible system that facilitates more timely data collection and analysis. PARIS was created in response to the urgent need for greater accountability and transparency of public authorities. The PARIS system is jointly managed by the Office of the State Comptroller and the Authorities Budget Office (ABO). This joint effort with the ABO has worked well and provides a good foundation for future collaborations.

In March of this year, my Office made financial information for more than 500 state and local public authorities available at Open Book New York ([www.openbooknewyork.com](http://www.openbooknewyork.com)), a transparency website we launched in 2008. In addition, I have issued a series of reports and audits of State and local public authorities in an effort to promote public awareness of the significant roles played by public authorities in New York State and of the issues related to their operations and governance. I also provide an analysis of public authority-related activity in the State Budget through my annual Executive and Enacted State Budget reports. All of these reports and audits are publicly available on my Office's website. These reports have demonstrated that while public authorities operate and maintain some of New York's most critical infrastructure, manage large sums of money and issue significant amounts of debt, they have avoided much of the oversight over day-to-day operations to which State agencies and other government entities are subject.

While enactment of the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009 created new reporting and disclosure requirements, the waste, fraud and abuse uncovered by my audits and reports suggest that more steps are needed. I will continue my efforts to bring public authorities finances and activities out from the shadows and improve accountability. To this end, I have advanced legislation to improve accountability, transparency, and efficiency of Industrial Development Agencies and Local Development Corporations.

**8. In regards to comptroller oversight of legislative expenditures, what is your position on requiring state legislators to submit receipts to the comptroller for per diems they receive for travel, lodging, and food expenses while in session in Albany? How would you prevent the previous mishap of legal payments or settlements being approved by the comptroller's office related to sexual harassment allegations against legislators?**

Under current law, members of the Legislature receive transportation expenses and a per-diem based on federal rates when they travel for official duties. It is the responsibility of the legislators and their respective finance offices to properly utilize and administer these provisions. When irregularities in per diems and travel have come to our attention, we have worked with law enforcement when warranted. For example, in 2012 my office examined travel vouchers of Assemblyman William Boyland and found almost \$67,500 in unsupported travel, including evidence demonstrating that he was not in Albany when he claimed to be. The case was successfully prosecuted by the US Attorney Loretta Lynch of the Eastern District.

The Lopez settlement demonstrated the need for greater transparency. Additional legal payment categories and coding have been created to make sure settlements are more clearly identified. Each state agency counsel has the responsibility to review and certify these types of settlement requests before they are paid.

**9. How would you expand upon the Open Book New York online portal for the state's finances to include further detail regarding state contracts, payments, and spending through specific funds? Do you support including payment and spending information regarding subcontractors, as is included in the New York City Checkbook platform? What further transparency tools would you develop to open up information to the public?**

As New York's chief financial officer, I oversee the financial practices of government and serve as the independent voice for fiscal accountability. We created Open Book New York as a way to make government more transparent by 'opening up the books' of state and local governments, so taxpayers can see how their taxpayer dollars are spent. The website, launched in April of 2008, initially included two search tools that allowed tracking of more than 60,000 active state contracts with real-time information on how much has been spent on a contract to date, as well as spending for 113 State agencies and public authorities. Users could identify who is doing business with the state and how much state agencies spent on expenses such as travel, employee salaries and consultants. The contracts search tool is updated nightly and contains active contracts going back 10 years.

Open Book New York has had multiple enhancements since its inception, with the addition of state payment data (state "checkbook") in December 2013, including about 10,000 new payments each day containing the agency submitting the payment request, the payment recipient, the payment amount and the date the payment was made. About six million payments are available for searching. In March 2014, financial information for more than 500 state and local public authorities was added. Public authorities are responsible for overseeing billions in taxpayer dollars and assets.

This fall my Office is planning to release a new spending module, which will allow users to compare up to three years of spending at one time by month, quarter or full year; select data by various categories, including: agency, fund, program, account and budget year; refine their search to drill down into specific agencies, funds and programs as they are reviewing data; and download data based on the user's specific search or include all data available in the module.

**10. What oversight and public disclosure do you believe your office should conduct regarding discretionary lump sum appropriations which are distributed by the legislative leaders and the governor after the passage of the state budget?**

I have implemented many measures to increase access to information about the State budget, and provide more user-friendly tools to allow the public to see how their tax dollars are being spent, including real-time data in Open Book as well as monthly, quarterly, and annual reports on the State budget, revenue and spending. However, these disclosure efforts do not fully remedy the ongoing transparency challenge posed by lump sum appropriations, which, are not specified until the payments are made. When such appropriations are made to be spent by public authorities, access to information regarding how such funds are spent is even further reduced, as those payments do not flow through my Office.

Despite positive reforms in the Budget Reform Act of 2007, which prohibited the use of lump sum appropriations for legislative additions to the budget, the Act included loopholes to allow passage of such lumps if the two Houses of the Legislature passed subsequent resolutions specifying how such



monies would be spent. And year after year we see “notwithstanding” clauses in the State budget, and more lump sum appropriations. My most recent Enacted Budget report highlighted this issue as an area of concern with respect to transparency and accountability. This is a clear indication that further, more stringent, structural reforms are needed. My budget reforms proposal includes, among other measures, the requirement that every programmatic appropriation be accompanied by an estimated spending total, to provide the public with a clearer picture of how their tax dollars are being spent. This would facilitate more robust disclosure of intended spending behind all appropriations.

## **II. GENERAL BUDGETARY AND FISCAL ISSUES**

### **1. What are your views regarding the fiscal health and forecast for New York State, both in the private and public sectors? What budgetary tools do you believe should be used to stimulate the state's economy?**

After huge job losses due to the Great Recession New York's economy been recovering. Some regions of the state are coming back strong. According to data from the State Department of Labor, New York State has added back all the jobs lost in 2008-09 and more, about 159%, or about 500,000 jobs in all. That said, the level of job creation and economic recovery still depends on where in New York State you live. While New York City has added 275,000 jobs – two and a half times as many jobs as were lost during the Great Recession – many areas of upstate are still struggling to recover the jobs they lost. Metropolitan statistical areas around Utica/Rome, Binghamton, Glens Falls and Elmira all had employment declines in 2013, some of which approached 2.5 percent, while at the same time, Ithaca, New York City and Long Island had growth nearing 2.5 percent. In each year from 2007 through 2011, New York State had higher job growth than the nation – the first time this had occurred since the federal government started collecting such data. The state's overall employment growth has been below national trends in 2012, 2013 and thus far in 2014.

Having the State's fiscal house in order is an important underpinning to the State's economy. New York State has had four on-time budgets, state finances have improved and the State's cash position is significantly better than it was in recent years. New York ended SFY 2013-14 with a General Fund balance of \$2.24 billion dollars, \$432 million over projections and that was after a \$175 million deposit to the Rainy Day Fund and over \$1 billion in prepayment actions. New York's improved fiscal health has been reflected by Fitch, Moody's and S&P all upgrading the State's General Obligation Bond ratings, citing an improved economy, better budget management at the state level, and a well-funded State Pension Plan.

New York State and local governments dedicate immense resources, including direct expenditures (both operational and capital), grants, loans, tax credits and tax exemptions to foster economic development. The Empire State Development Corporation (ESDC) alone administers more than fifty programs that distribute more than \$1.3 billion in economic development aid annually. In addition, in recent years, New York's 112 local IDAs, have contributed more than \$500 million in tax exemptions annually. However, it is difficult to tell if New York's economic development programs are effective, as many are lacking in transparency and accountability. Enhanced reporting and meaningful metrics are needed for these programs to ensure that taxpayer's dollars are in fact, leading to job creation and new investment in New York's businesses.

**2. How would you use the power of the office to promote a fiscally sound future for the New York State? How can audits be utilized by the office to not only effectively uncover waste and promote efficiencies, but realize actual savings?**

As Comptroller, I have been actively engaged with all aspects of the State's fiscal picture, focused on ensuring that the State moves toward structural balance and strong financial footing. Through the Great Recession, my Office provided enhanced reporting of the State's cash position, issued reports highlighting the need for greater fiscal discipline and cautioning against the use of easy short-term solutions with costly long-term implications, such as one shots, budget gimmicks and deficit financing. As the State's fiscal picture has improved, I have continued my call for increasing reserves, reducing reliance on temporary revenue, and prudent use of one-time revenue for one-time expenses. My Office monitors economic conditions and tracks State revenue and spending, and reports on these monthly, quarterly, and annually. We closely monitor the State's debt burden, and issue periodic Debt Impact Study reports to give the public a clear picture of the State's debt burden and use of debt. I have focused significant efforts on the need for the State and its local governments to improve capital planning and address long-neglected and poorly prioritized infrastructure needs. Through my objective, independent analysis of the Executive and Enacted State Budgets, I have regularly identified areas of concern and have called for responsible, sustainable solutions to the fiscal challenges facing the State, including its structural imbalance between recurring revenue and recurring spending, overreliance on temporary resources, the need to bolster reserves, and excessive reliance on public authority debt. My fiscal reform legislation lays out a comprehensive plan to improve the State's approach to the budget, debt and capital spending. Also, my budget, economic and policy reports, on both the State and local levels, identify areas of opportunities and recommendations to improve inefficient, wasteful, or unnecessary activities, and helps the State set a more positive fiscal course. I intend to continue these efforts.

My Office also audits state agencies, public authorities, and all local governments in New York State, including New York City. We are responsible for auditing thousands of local governments, school districts and fire districts. We also audit all state payments and refunds prior to payment through audits of contract payments, discretionary spending, procurement card and travel card charges; tax refunds; and Unemployment Insurance (UI), State Insurance Fund, and Workers' Compensation Board (WCB) payments. Our audits of state and local governments help ensure that programs achieve their established goals, funds are used efficiently, and assets are adequately protected against fraud, waste and abuse. Audits performed by my Office have identified more than \$2.8 billion in cost savings, with the audited agencies, public authorities and local governments primarily responsible for realizing those savings.

**3. What are the key areas in state government, local government, and in school districts that you have identified where New York State can realize significant fiscal savings? How would you use the Office of Comptroller to help achieve those savings?**

As noted above, OSC's audit function can also play a key role in achieving significant fiscal savings at all levels of government in New York State, with our audits having identified more than \$2.8 billion in cost savings. Clearly the largest categories of expenditures in New York State, Medicaid and education, provide the biggest opportunities for realizing significant fiscal savings. As a result, our auditing divisions have dedicated significant resources to these areas, auditing every school district in New York State over a five a year period, with those audits identifying more than \$600 million in excess funds unnecessarily tied up in unused reserve accounts, tens of millions of dollars of cost-savings and outright fraud or theft in 19 school districts at the cost of \$17.7 million. And since I took office in 2007, our Medicaid audits have identified more than \$1.8 billion in fraud, waste, abuse and questionable

transactions. These efforts are clearly paying off, and I will continue to make these issues a significant focus of our auditing work.

Savings can also be achieved by identifying opportunities to improve governmental efficiency across the board. For example, my Office provides “best practices” recommendations for local governments, which identify and highlight efforts that local governments can undertake that could result in improved operations and taxpayer savings.

My Office has identified capital planning and spending as an area on the State and local level that provides an opportunity for more efficient, cost-effective processes. Reforms and recommendations that I have advanced in legislation and reports would result in more effective prioritization of critical infrastructure projects, reduced waste of limited capital dollars, and a more solid foundation for economic growth.

**4. How do you see the role of the comptroller in reviewing government contracts? What are the criteria the comptroller can apply? Are there new criteria the comptroller should seek to use?**

For over 100 years, the State Comptroller’s pre-audit of contracts, required by Section 112 of the State Finance Law, has worked effectively to prevent procurement abuses in New York State. As chief financial officer of New York State, my Office reviews and approves contracts for all state agencies (value over \$50,000) and certain contracts for state public authorities (value over \$1 million), fulfilling the critical role of checks and balances to ensure the best value for taxpayer dollars. In State Fiscal Year 2013-14, OSC reviewed approximately 24,700 transactions totaling \$83.6 billion. While my Office has 90 days to review contracts, most are approved within 15 days, and a quarter of them are approved within five days. None of last year’s 9,287 new state agency contracts took 90 days or more. Specifically, we check to see that the vendor selection was fair, the cost is reasonable, the contract is sufficiently funded and that the agency has performed due diligence to ensure the contractor is responsible. By reviewing contracts before they are awarded, my Office has uncovered significant fiscal and integrity issues, including a \$14 million fuel contract awarded in 2011 to a company with alleged ties to a major crime family. Our review process adheres to vigorous standards and legal requirements. My staff, which has a wide range of expertise, examines contracts for construction projects, grants, consultants, commodities, concessions, professional services, intergovernmental agreements, leases, and land purchases and sales. As part of its examination, the staff ensures that the method used to select the contractor complies with applicable statutory, regulatory and policy requirements and that the selection was made in a fair manner. In 2008, the transparency website Open Book New York was created, which includes access to more than 50,000 state contracts. The easy-to-use website was created to promote openness in government and provide taxpayers with better access to the financial workings of government, including contracts.

**5. How would you handle management and investment of the state pension funds to ensure that obligations continue to be met? What is your position on borrowing from the state’s pension funds to meet current funding obligations? Do you support the “pension smoothing” proposal, passed as part of the state budget, which permits local governments and authorities to defer payments over the next 12 years?**

As Comptroller, I have ensured the long term health of the New York Common Retirement Fund by managing the Fund’s assets on behalf of the System’s members, retirees and beneficiaries to meet return objectives, minimize volatility, and protect and enhance long term value. As Comptroller I operate the Fund consistent with the fiduciary responsibility required of me as Trustee of the Fund.

The single most important factor in ensuring the long term health of the New York State and Local Retirement System is having the discipline to require that State and local government employers pay their annual contributions. In contrast to many systems nationally, I have insisted on payment. Additionally, we adhere to our actuarial method and funding policy and our actuarial assumptions are rigorously reviewed to ensure the System is properly funded. Accordingly, we continue to be among the best funded public pension systems in the nation.

Investments are professionally managed and allocated among investment classes based on a comprehensive asset allocation study. We have further protected and will continue to protect the System through a series of reforms.

I do not support borrowing from the pension fund. The Contribution Stabilization Program responded to the near collapse of financial markets and the resulting severe spike in pension rates paid by the state and local governments. While some states and local retirement systems responded by skipping or shorting their contributions, others amortized the increased contributions (for all employers) over decades. In contrast, New York State took a more fiscally responsible approach and enacted a program that allows individual employers to elect to defer and amortize over 10 or 12 years a portion of their current pension bill. (The repayment for any deferral is up to 10 or 12 years.) In return, when rates decline, these employers will accelerate the payoff of any outstanding amortizations and the System will establish and hold a permanent reserve account on their behalf in order to cushion against future volatility in rates.

By limiting the deferrals to those who opt into the program, the System minimized the amount overall deferred relative to systems that defer on behalf of all employers. Moreover, unlike those systems New York's program is transparent. By charging participants interest on deferrals comparable to fixed income investments in the Fund's portfolio, the System is made whole.

**6. Do you believe that it is appropriate for the comptroller to use his or her pension authority to advance a policy agenda with its investments? If so, what are the appropriate parameters on this type of action?**

As Trustee of the Common Retirement Fund (CRF), my fiduciary duty is paramount. Managing and investing the assets of the CRF on behalf of the Retirement System members, retirees and beneficiaries in a manner that will protect and enhance the long term value of the CRF is my top priority and legal obligation. All shareholder initiatives, investment and asset management decisions must be consistent with that fiduciary duty. As responsible investors looking to protect and promote long-term value, we regularly engage portfolio companies on environmental, social, and governance issues that can affect their bottom line. The goal of engagement is to open a dialogue with our portfolio companies and reach an agreement that will improve a company's performance. As a large investor, safeguarding retirement for more than one million men and women, we have a responsibility to make sure the company is doing the right thing not because of a political agenda but because it protects long-term value. When a company's board ignores areas of risk in management's practices or culture — for example, failure to ensure suppliers uphold human and workers rights or failure to protect the rights of LGBT employees — the company can face legal and reputational risks that put shareholder value in danger. We want to protect company value by improving corporate policies and behavior.

**Please provide any additional information about your positions as well as actions that you have taken or plan to take to advance your positions on the above issues either below or on a separate sheet of paper.**

**III. CAMPAIGN PROMISES MADE TO VOTERS (PAST AND CURRENT)**

In addition to evaluating their stances on the issues above, Citizens Union will assess incumbents on how well they kept the promises they made to voters during the previous election.

As an elected official who is seeking re-election,

- a. what were the top five promises you made to your constituents when you ran for your current seat and what progress has been made in keeping those promises; and
- b. what are the top five promises you are making to the voters during this campaign?

We thank you very much for your response. Please feel free to use additional pages if the space provided is not sufficient.

**TOP FIVE CAMPAIGN PROMISES FROM LAST ELECTION AND ACTION ON THEM**

1. **Maintain the highest ethical standards for OSC** – especially with regard to pension fund management – *completed and on-going*
2. **Protect defined benefit pension plan** – *accomplished for represented employees*
3. **Replace central accounting system** – *new accounting system implemented with expansion of the initiative continuing*
4. **School district audit initiative** – *first five year cycle completed, next cycle underway*
5. **Evaluate pension reforms** – *fiduciary review completed*

**TOP FIVE 2014 CAMPAIGN PROMISES OR GOALS**

1. **Maintain the highest ethical standards for OSC** – especially with regard to pension fund management
2. **Protect defined benefit pension plan**
3. **Retirement System IT redesign**
4. **Commence additional fiduciary review of pension fund**
5. **Update asset allocation for pension fund investments**

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