



## **Testimony to the NYS Commission on Legislative, Judicial & Executive Compensation**

*No Legislative & Executive Pay Increases Without Significant Outside Income Restrictions*

October 10, 2024

Thank you for the opportunity to provide written testimony regarding whether legislative and executive pay should be increased in New York State. We understand that you must issue a report by November 15, 2024, and that you are charged with assessing whether the salaries of members of the Legislature, statewide elected officials, and state officers warrant an increase.

We also understand that due to a legal challenge, the NYC Commission on Legislative, Judicial and Executive Compensation (“the Commission”) 2018 limits on legislators’ outside income were [struck down](#). The current \$35,000 outside income limit passed by the State Legislature in 2022 that would take effect January 2025 is also [currently being challenged](#) in court. While the decision in this lawsuit is pending, New York State legislators have a \$142,000 salary – [the highest of all state legislatures](#) – and no limits on outside income.

During the period the Commission remains unable to limit outside income, we urge you not to recommend pay increases for state legislators or statewide officials. We believe that pay increases without greater safeguards to better ensure elected officials put the public before their private pocketbook interests would be unwarranted and irresponsible. **The public basically made a deal with the Legislature to support pay raises in return for limits on outside income: no limits means no pay raise.**

### ***Transparency of Current NYS Salaries and Policies Needed***

Before turning to our commentary on the salary levels of legislative and executive officials, we would like to highlight some gaps in transparency that we believe must be addressed. Due to ongoing litigation and the Commission’s role of making recommendations that have the force of law but do not actually amend the law, it is very confusing for the general public to understand what the current compensation levels and rules actually are.

For example, while [legislative stipends](#) are only awarded to majority and minority leader positions and a limited number of committee chairs due to the Commission’s recommendations, Legislative Law Section 5-a appears to remain on the books [on the Senate’s own website](#) with no note to the public about it not longer being active. Under the superseded law, nearly every committee chair and ranking member eligible for stipends of \$9,000 (ranking minority member on Agriculture Committee) to \$34,000 (Ways and Means or Finance chairs, for example -

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though we note that current Senate Finance Chair Liz Krueger has refused her stipend, which is still allowed under the Commission's rules).

Additionally, Executive Law 169 has been superseded, but also appears to remain on the books. Executive Law 169 [as available on the Senate website](#) has six tiers for agency heads and salary levels from 1998, while in effect, there are only four tiers due to the Commission's recommendations, which is reflected in [NYS Comptroller guidance](#).

We fully support having state elected officials' salaries determined by an outside commission, but believe that the current process can create confusion about what the actual salaries and policies are in New York State for top-level officials.

In order to boost transparency of NYS's compensation levels and policies, we recommend:

1. **The Commission create a page or table on its website of current salaries for all elected and public officials under its purview**, together with supplemental information about limits on outside income and stipends. This page should be updated regularly – at a minimum while the Commission is in operation – and note whether the policy is set in law, or as a result of commission action.
2. **The State Legislature pass—and the Governor sign—clean-up legislation** removing any outdated sections of law related to the compensation of state officials. The relevant sections of law should instead reference the Commission and its role in setting salary levels. The law could also require the Commission publish current salary information on its website, as recommended above, though we believe this should be done immediately to avoid further confusion, rather than wait for a law to be passed.

### ***State Legislative Pay***

As we [testified to the Commission in 2018](#), we have supported a significant raise for state legislators (\$120,000 in 2018, which in today's dollars would be approximately \$150,000 when adjusted by the U.S. Bureau of Labor Statistics Consumer Price Index), but *only* with significant limits on income. We opposed [legislation passed by the State Legislature in December 2022](#) because they failed to include the significant outside income restrictions recommended by this very Commission in 2018, and even worse, the outside income limits didn't kick in at the same time as the \$35,000 salary increase.

When outside income is a large portion of a legislator's take-home pay and legislators have business relationships where they are legally required to put their clients first, the public can rightly question where legislators' priorities lie.

Additionally, we called for the following in 2022:

- 15% cap on outside income (like U.S. Congress)
- "Fiduciary" ban on outside income from employment where the legislator has a fiduciary relationship to the employer or client (like U.S. Congress)
- Elimination of stipends for all but majority and minority leaders (like U.S. Congress)
- No family business exception (unless Legislature adopts U.S. Congress-style limits)
- Simultaneous implementation of salary increase and outside income limits

It is notable that the Legislature in 2022 gave themselves a pay increase of \$32,000, nearly the total salary of 180 legislative staffers, [according to City & State](#). We are concerned that the current low levels of staff pay in the legislature leads to large rates of turnover, which is harmful both to legislators' ability to serve constituents, and the institutional knowledge and expertise of staff members involved in the legislative process.

See at the end of our testimony a chart comparing the 2018 Commission recommendations with what was passed by the Legislature and signed by the Governor in December 2022.

### ***Statewide Executive Pay***

According to [data compiled by the Commission](#), the Governor, Lieutenant Governor, Attorney General, and State Comptroller of New York are the best-compensated elected officials among all 50 states.

Reinvent Albany supports CPI cost of living adjustments for statewide elected officials, but only if increases are accompanied by greater restrictions on outside income.

Prior to former Governor Cuomo's \$5 million book deal scandal, we [asked the Commission in 2018](#) to provide greater prohibitions on publishing contracts. Specifically, we recommend that advance royalties on publishing contracts should be banned, as it is by the U.S. House of Representatives. Additionally, publishing contracts and other requests for outside income should be subject to [pre-approval by the full state ethics body](#) – not staff – with the full text and conditions of approvals released to the public, and prohibited if the publisher is doing business with the State, including receiving state or local grants or tax abatements.

### ***State Officers Pay***

Reinvent Albany also supports CPI adjustments for agency commissioners. We appreciated that the 2018 Commission recommended simplifying the bands of salaries for state agency heads to four rather than six. As [we recommended in 2018](#), we believe there should be more flexibility within salary bands, and more consideration given to supply and demand for talented agency commissioners. It may make sense to pay commissioners of larger agencies a higher rate, but that should be one just one factor considered. For example, many of the lower-paid agency commissioners provide services to the most vulnerable in our society like those in prisons, victim services, and veterans.

Our understanding is public officers law section 73 and 74 restricts agency heads from earning outside income (as does Part 932 of JCOPE regulations), but we continue to support applying restrictions on outside income from other elected positions to agency heads as well.

Thank you for your consideration. Should you have any questions, please email Rachael Fauss, Senior Policy Advisor, at [rachael@reinventalbany.org](mailto:rachael@reinventalbany.org).

**2022 NYS Legislative Pay Raise vs. Watchdog and Compensation Commission Proposals**

Issue	December 2022 Pay Raise Legislation <sup>1</sup>	Reinvent Albany Position <sup>2</sup>	2018 Compensation Commission Proposal <sup>3</sup>
<b>Cap on Outside Income</b>	25% of salary, effectively \$35k on base salary of \$142k (this is an implicit percentage – the actual law mirrors the existing cap on income for retired NYS public employees)	15% of salary, effectively \$21.3k on base salary of \$142k	15% of salary (like the U.S. Congress)
<b>Fiduciary Relationships</b>	No ban	Ban on outside income from employment where the legislator has a fiduciary relationship to the employer or client (like U.S. Congress)	Ban on outside income from employment where the legislator has a fiduciary relationship to the employer or client (like U.S. Congress)
<b>Stipends</b>	No changes	Eliminate stipends for all positions except Assembly Speaker and Senate Majority Leader	Limit stipends to only certain leadership positions and committees (Finance, Ways & Means, Codes). This recommendation was adopted.
<b>Family Businesses</b>	Creates exception for income from family businesses where member’s services “not a material factor” in production of income, without sufficient safeguards	No exceptions for family business, unless included with full set of outside income restrictions (i.e. fiduciary ban)	Only allowed with other limits on outside income, such as fiduciary ban
<b>Timing of Salary Increase and Outside Income Limits</b>	January 1, 2023 salary increase, with no limits on outside income until January 1, 2025	Simultaneous implementation of salary increase with outside income limitations	Salary increase phased in, with immediate implementation of outside income limits

<sup>1</sup> See A10730/S9617 (Heastie/Stewart-Cousins) available at: [https://assembly.state.ny.us/leg/?default\\_fld=&leg\\_video=&bn=A10730&term=2021&Summary=Y&Memo=Y&Text=Y](https://assembly.state.ny.us/leg/?default_fld=&leg_video=&bn=A10730&term=2021&Summary=Y&Memo=Y&Text=Y)

<sup>2</sup> See [Watchdog Group Statement on December 2022 Pay Raise Vote](#) and Reinvent Albany [Testimony](#) to the 2018 Compensation Commission

<sup>3</sup> December 2018 NYS Compensation Commission report available at: <https://www.nyscommissiononcompensation.org/pdfs/compensation-report.pdf>. See also A8232/S7258 of 2021 (Wallace/Krueger) available at: [https://assembly.state.ny.us/leg/?default\\_fld=&leg\\_video=&bn=A08232&term=2021&Summary=Y&Text=Y](https://assembly.state.ny.us/leg/?default_fld=&leg_video=&bn=A08232&term=2021&Summary=Y&Text=Y)