

# LABOR NEW YORK



New York State Comptroller  
**THOMAS P. DiNAPOLI**



## A MESSAGE FROM THE COMPTROLLER

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

This past Labor Day, I had the pleasure of marching with the members of United Auto Workers Local 465 in the Massena Solidarity Day parade in the North Country. Parades are a great way to celebrate, and I was glad to see many young children along the parade route. They remind us that unions not only help workers earn a decent wage to support their families, they also help build a fairer system for future generations of working New Yorkers.

Since the very first Labor Day Parade in New York City over 130 years ago, we have reached many significant milestones: the right to collective bargaining, the five-day work week, standards to promote safe workplaces and more. Labor Day reminds us of all that we can accomplish when we work together to achieve common goals. While there are many challenges in our economy today, we can draw inspiration and confidence from the stories of the past as we strive to create a better economic future for New York's working families.

I hope you find the articles inside interesting, and wish you all a pleasant and rewarding autumn.



Comptroller DiNapoli with NYSUT members at the Massena Labor Day Parade.



(Left to right) Janella T. Hinds, Secretary-Treasurer of the NYC Central Labor Council; Vincent Alvarez, President, NYC Central Labor Council; George Miranda, International Vice President, International Brotherhood of Teamsters; George Gresham, President, 1199SEIU; Comptroller DiNapoli; and Mario Cilento, President, New York State AFL-CIO, at the Labor Day Parade in New York City.

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## EMPLOYER PENSION RATES TO DROP AGAIN

For the third year in a row, State and local government employers in New York will have their pension contribution rates reduced. The \$184.5 billion Common Retirement Fund enjoyed another solid year in 2014-15, achieving a 7.16 percent rate of return on investment. Consequently, employer contributions to the Employees' Retirement System (ERS) will be set at 15.5 percent of payroll in 2015-16 (down from 18.2 percent this year), while contributions to the Police & Fire Retirement System (PFRS) will decline to 24.3 percent of payroll (from 24.7 percent).

At the same time, the Fund has decided to lower its assumed rate of return on investments from 7.5 percent to 7 percent, the

first decrease since 2010. As Comptroller DiNapoli explained, "Lowering the assumed rate of return is fiscally prudent and will better position the State pension fund for the future. This strategic decision is consistent with the tougher investment climate ahead."

The Fund is one of the nation's best-managed and best-funded pension plans. The New York State and Local Retirement System (NYSLRS) provides retirement security to more than one million active State and local government employees, retirees and beneficiaries.

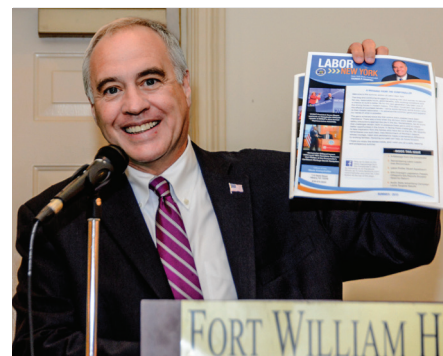


*(Right to left) Bill Ellis Graham, President, Hudson Valley Area Labor Federation, and Billy Riccaldo, President, CSEA Southern Region, honor Comptroller DiNapoli with the Friend of Labor Award at the Hudson Valley Area Labor Federation's Labor Heroes Celebration.*

In August, Comptroller DiNapoli's essay, "New York Should Opt Into Public Financing of Elections" was published in the *Albany Times Union*, urging the State Legislature to pass comprehensive campaign finance reform in New York, including public funding of elections for all State offices. Read the essay here: [osc.state.ny.us/press/releases/aug15/082615.htm](http://osc.state.ny.us/press/releases/aug15/082615.htm).



*Christopher Erikson, President, Allied Printing Trades Council, Comptroller DiNapoli and Dennis Conners, Secretary-Treasurer, Allied Printing Trades Council at the New York State Allied Printing Trades Council's 119th annual convention in Cutchogue.*



*Comptroller DiNapoli addresses the New York State Pipe Trades Conference in Lake George.*



*Comptroller DiNapoli presents a proclamation to Ann Marie Taliercio, President, Central New York Area Labor Federation, at the New York State Fair.*

## LABOR PROFILE: WAYNE SPENCE, PRESIDENT, PUBLIC EMPLOYEES FEDERATION (PEF)

In June 2015, Wayne Spence was elected as the first African-American president of the Public Employees Federation (PEF), which represents 54,000 New York State workers including nurses, accountants, engineers and many other professional occupations. Before his election, Spence held numerous leadership positions in the union, having served as a PEF Vice President, Shop Steward, Division Health and Safety Chair, Executive Board Member, Long Island Political Action Co-chair and Assistant Council Leader of Division 236 (DOCCS/Parole).

Born on the island of Jamaica, Wayne Spence immigrated to the United States at the age of 10 and has called the New York City area his home ever since. After graduating from the Bronx High School of Science, Spence went on to earn a bachelor's degree in Electrical Engineering from the New York Institute of Technology, where he was known as a student leader and respected for his advocacy for the student body. He founded the NYIT/Central Islip Campus Society in 1996.



*Comptroller DiNapoli and PEF President Wayne Spence.*

Spence carried his passion for collective action over to his career in public service, becoming known as a leader who demands that employers and the State follow through on their commitments, especially for member health and safety and community safety issues. He helped to change parole policies to ensure that pregnant officers were not required to place themselves and their unborn children at risk by executing felony warrants, and secured State management action to install metal detectors after incidents of violence with weapons had occurred.

Spence is a certified Police Fire Arms Instructor and Instructor Evaluator. He is also a member of Phi Beta Sigma Fraternity, Inc. and 100 Blacks in Law Enforcement Who Care and sits on the trustee board of the First Baptist Church of Freeport. A strong believer in “unity, courteous dialogue and solidarity with other labor

organizations,” Wayne Spence continues to champion the core mission of the union: protecting the common interests of the State’s hard-working employees.

## NEW YORK JOBS TOP NINE MILLION, NEW STATEWIDE HIGH

New York State reached its highest employment level ever, with more than nine million people employed in 2014, after adding 538,000 jobs since 2009. The overall job growth in 2014 alone was 143,000 — the strongest growth since 2000 — and followed four years of steady gains.

Job growth was uneven across the State, however, with New York City gaining three out of four new statewide jobs from 2009 to 2014, while four upstate regions lost jobs. The Mohawk Valley and the Southern Tier saw the biggest drops in employment.

“Six years after the Great Recession, growth is steady statewide, but some specific regions are still struggling,” Comptroller DiNapoli warned. “While unemployment has dropped sharply, more New Yorkers are relying on part-time jobs or have dropped out of the labor force. Bright spots include fast-rising wages in the finance and information sectors, and signs of new growth in the western New York economy.”

From 2009 to 2014, New York outperformed the nation in seven of 11 major industry sectors.

While employment rose, the total number of workers in the labor force (employed plus unemployed people seeking work) in New York dropped by 78,000, which some experts say could limit prospects for overall economic growth. All regions of the State, except for New York City, experienced a decline in labor force participation over this time period.

Historically, a large, well-skilled workforce has been a key contributor to the Empire State’s economic fortunes. Creating good jobs and helping willing workers find desirable employment remain key concerns for New York State.

The report is available on the Comptroller’s website at [osc.state.ny.us/reports/economic/employment\\_trends\\_nys\\_2015.pdf](http://osc.state.ny.us/reports/economic/employment_trends_nys_2015.pdf).



## NEW YORK CITY'S BUDGET BENEFITS FROM STRONG JOB GROWTH

New York City will see a balanced budget and narrowing budget gaps for fiscal year 2016, according to an analysis of the City's four-year financial plan by the Office of State Comptroller. The promising outlook is due in part to the City's growing economy and increasing employment. The City added a record 120,000 jobs during calendar year 2014 and is on track to add more than 100,000 during 2015. Since the end of 2009, New York City has added more than half a million jobs, four times as many as were lost during the recession.

With the strong economy driving tax collections to record levels, the City has increased its reserves and added \$1.8 billion to the Retiree Health Benefits Trust, raising the balance in the trust to a record \$3.3 billion. The trust was established to help fund post-employment benefits other than pensions, such as health care, but the City has used the trust in the past as a rainy-day fund.

The City reported making progress in its labor negotiations, reaching new labor agreements with 80 percent of its

workforce over the past year. The City has yet to reach new agreements with the unions that represent New York's police officers, firefighters and correction officers.

The City is also working with its unions to hold down the growth in health insurance costs, achieving health insurance savings of \$400 million in the 2015 fiscal year and nearing its goal of achieving \$700 million in savings for the 2016 fiscal year.

"New York City's economy is strong today and shows no signs of slowing," said Comptroller DiNapoli. "The City deserves credit for prudently increasing its reserves to hedge against an economic setback. While the out-year budget gaps appear manageable, the City should continue its efforts to narrow them."

The report is available on the Comptroller's website at [osc.state.ny.us/osdc/rpt3-2016.pdf](http://osc.state.ny.us/osdc/rpt3-2016.pdf).

## HOME FORECLOSURES STILL REMAIN HIGH

New York State continues to have high levels of foreclosure activity, with new foreclosure filings remaining significantly higher than prerecession levels.

"The foreclosure crisis is far from resolved, and there are still too many people losing their homes," Comptroller DiNapoli said. "In many places the situation has continued to get worse. Foreclosed properties displace families and weigh heavily on local communities, reducing property values and eroding tax bases."

Foreclosure filings rose rapidly after the housing bubble burst and the recession of 2008-09 took hold. Between 2006 and 2009, the number of new foreclosure cases filed jumped from 26,706 to 47,664, an increase of 78 percent. In 2011 and 2012, new filings declined as new court rules were issued requiring lenders to affirm their claims to properties targeted for foreclosure.

After reaching a low of 16,655 in 2011, new filings climbed to 46,696 by 2013 before falling to 43,868 in 2014, still well above prerecession levels.

In 2015, a number of major banks and mortgage servicing companies operating in New York State agreed to follow a set of "best practices" in managing vacant and abandoned properties with delinquent mortgages even before the foreclosure process begins. The practices include inspecting, securing and maintaining the properties throughout the delinquency of the loan. This is a promising development; however, Comptroller DiNapoli has strongly urged that "we continue efforts to help homeowners and stem the spread of foreclosure-induced blight."

The report is available on the Comptroller's website at [osc.state.ny.us/press/releases/aug15/081715.htm](http://osc.state.ny.us/press/releases/aug15/081715.htm).



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