

Common Cause/NY Compiles a Major Review of Outside Income for NYS Lawmakers

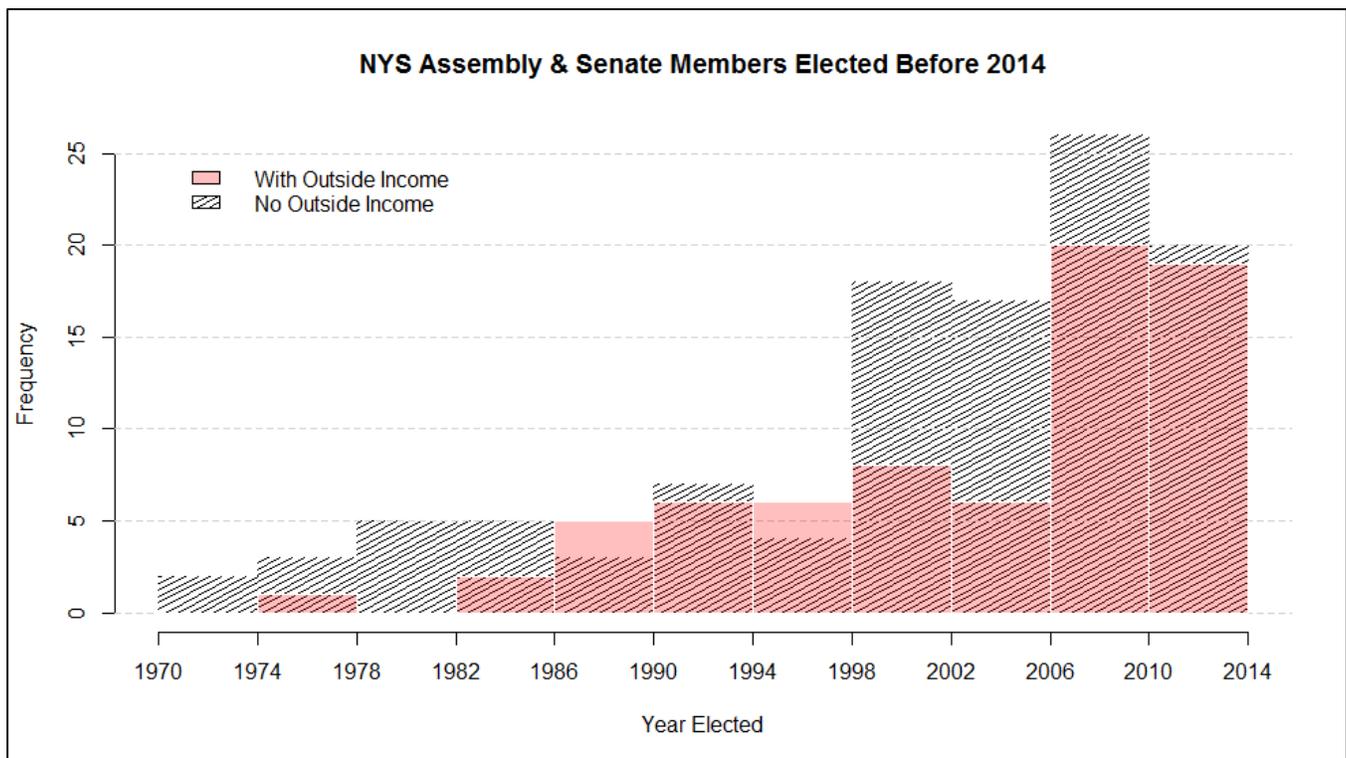
Analysis based on 2015 JCOPE filings for all 213 legislators

By Research and Policy Manager Prudence Katze and Executive Director Susan Lerner

Common Cause/NY compiled an exhaustive and detailed analysis of outside income for all 213 members of the New York State Legislature. The review is particularly relevant on the heels of the former Head of the Assembly Shelly Silver and former Senate Majority Leader Skelos jury convictions, and provides the clearest picture of the type of outside work lawmakers get paid for.

"It's clear that corruption is a systematic problem in Albany where lawmakers can use their office to enrich themselves through outside jobs. New Yorkers deserve the full commitment of their elected officials without having to compete with private interests. Although serving in the Legislature is technically a part-time job the responsibility to the public is anything but," said Susan Lerner, Executive Director of Common Cause/NY.

Accompanying this briefing is the raw data itself, which is compiled in categorized tabs in an Excel Workbook.

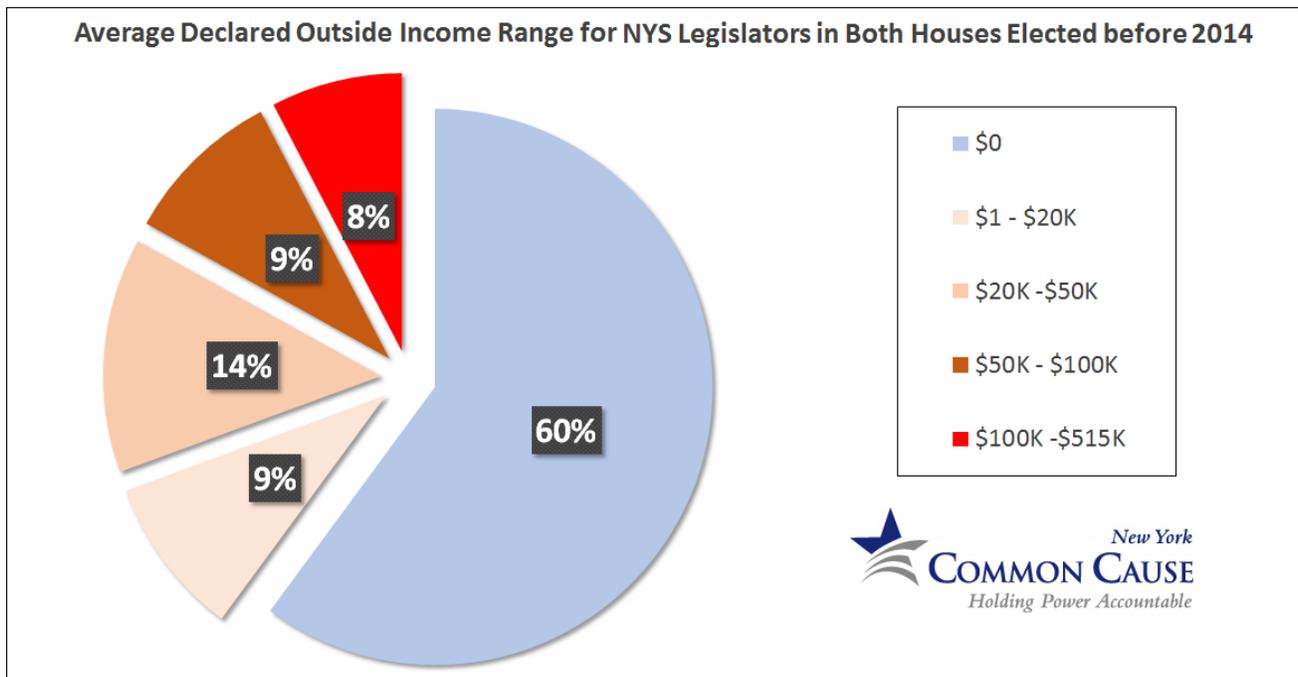


We see a trend when we categorize legislators by whether or not they declare outside income by the year they were elected. This chart is composed of two different bar charts superimposed on each other.

Majority of our Assembly and Senate legislators declared no outside income in 2014

Here’s the good news: of the 183 lawmakers elected prior to the most recent cycle, roughly 60%, or 110, do not have any outside income. The above chart, which measures those declaring outside income by the year that they first came into office, shows how the majority of legislators are solely focused on serving the people of New York state.

The remaining 40%, or 73, list one or more sources of supplemental income to their \$79,500 base pay. On average, lawmakers (elected before 2014) with outside income make between \$47k and \$80k, with about around 8% of our elected legislators in both houses make between \$100k and 515K.



New Blood and Outside Money

One third of the Legislature turned over between the years of 2010 and 2013. Of the 72 new members, a little less than half of them reported outside incomes, and half of those in the income brackets of \$50 and \$100K and \$100-515K. The majority of legislators who earn a high outside income were elected between those years.

Average Income Range for Legislators in Both Houses Elected Before 2014						
Year Elected	\$0	\$1 - \$20K	\$20K - \$50K	\$50K - \$100K	\$100K - \$515K	Grand Total
1970 - 1989	15	2	1	2	1	21
1990 - 1999	15	5	7	1	2	30
2000 - 2003	17	4	1	0	2	24
2004 - 2009	26	2	3	1	3	35
2010 - 2013	37	4	13	13	6	73
Total	110	17	25	17	14	183

Where does outside income come from?

Far and away, the most common source of outside income comes from the legal field (ala Sheldon Silver), with either the title "partner" or "of counsel" to a law-firm. 38 of the 73 legislators with outside income legislators the majority of their outside income from practicing law for a combined estimated sum of almost \$3 million.

Below we have compiled the top ten heavy rollers on outside income. Again, since lawmakers do not have to list their exact income their FDS, Common Cause/NY calculated an estimated income by averaging the total summed minimum and maximum per individual legislator.

Top 10 Highest Earning Legislators in Both Houses by the Average of the Declared Summed Minimum and Maximum Outside Income - Elected before 2014

Full Name	Office	District	Year Elected	Count of Outside income	Industry Providing Highest Percentage of Income	Sum of Min	Sum of Max	Average Income
Stephen M. Hawley	Assembly	139	2006	2	Insurance	\$455,000	\$570,000	\$512,500
Michael F. Nozzolio	Senate	54	1992	2	Law	\$151,000	\$255,000	\$203,000
Dean G. Skelos	Senate	9	1984	1	Law	\$150,000	\$250,000	\$200,000
Michael H. Ranzenhofer	Senate	61	2008	1	Law	\$150,000	\$250,000	\$200,000
Anthony H. Palumbo	Assembly	2	2013	2	Law	\$150,000	\$200,000	\$175,000
Philip M. Boyle	Senate	4	2012	2	Law	\$101,000	\$155,000	\$128,000
John J. Flanagan	Senate	2	2002	1	Law	\$100,000	\$150,000	\$125,000
Phil Steck	Assembly	110	2012	1	Law	\$100,000	\$150,000	\$125,000
Jane L. Corwin	Assembly	144	2008	1	Transportation	\$100,000	\$150,000	\$125,000
Stephen M. Katz	Assembly	94	2010	1	Veterinary	\$100,000	\$150,000	\$125,000

Top 10 Highest Earning Senators by the Average of the Declared Summed Minimum and Maximum Outside Income - Elected before 2014

Full Name	District	Year Elected	Count of Outside income	Industry Providing Highest Percentage of Income	Sum of Min	Sum of Max	Average Income
Michael F. Nozzolio	54	1992	2	Law	\$151,000	\$255,000	\$203,000
Dean G. Skelos	9	1984	1	Law	\$150,000	\$250,000	\$200,000
Michael H. Ranzenhofer	61	2008	1	Law	\$150,000	\$250,000	\$200,000
Philip M. Boyle	4	2012	2	Law	\$101,000	\$155,000	\$128,000
John J. Flanagan	2	2002	1	Law	\$100,000	\$150,000	\$125,000
Kenneth P. LaValle	1	1976	1	Law	\$75,000	\$100,000	\$87,500
Kemp Hannon	6	1989	1	Law	\$75,000	\$100,000	\$87,500
Andrew Lanza	24	2006	2	Law	\$55,000	\$95,000	\$75,000
Simcha Felder	17	2012	2	University	\$55,000	\$95,000	\$75,000
Jack Martins	7	2010	1	Construction	\$50,000	\$75,000	\$62,500

Top 10 Highest Earning Assemblymembers by the Average of the Declared Summed Minimum and Maximum Outside Income - Elected before 2014

Full Name	District	Year Elected	Count of Outside income	Industry Providing Highest Percentage of Income	Sum of Min	Sum of Max	Average Income
Stephen M. Hawley	139	2006	2	Insurance	\$455,000	\$570,000	\$512,500
Anthony H. Palumbo	2	2013	2	Law	\$150,000	\$200,000	\$175,000
Phil Steck	110	2012	1	Law	\$100,000	\$150,000	\$125,000
Jane L. Corwin	144	2008	1	Transportation	\$100,000	\$150,000	\$125,000
Stephen M. Katz	94	2010	1	Veterinary	\$100,000	\$150,000	\$125,000
Dan Quart	73	2011	2	Law	\$100,000	\$150,000	\$125,000
Mark Gjonaj	80	2012	2	Real Estate	\$95,000	\$150,000	\$122,500
William A. Barclay	120	2002	4	Law	\$75,001	\$146,000	\$110,501
Gary D. Finch	126	1999	3	Funeral Services	\$81,000	\$125,000	\$103,000
Bill Nojay	133	2012	2	Transportation	\$80,000	\$120,000	\$100,000

Lawyers Lead the Pack

The majority of lawmakers hold outside jobs as lawyers, with either the title "partner" or "of counsel" to a law-firm. These thirty-eight legislators who made the majority of their outside income from practicing law made a combined estimated sum of almost \$3 million.

However, Legislators in the insurance industry make the highest amount of outside income with an average of \$140,750. Six legislators made the majority of their outside income from teaching at a university for the average pay of \$17K.

Industry Providing Highest Percentage of Income Per Individual NYS Legislator from Both Houses			
Industry	Number of Individuals	Sum of Average Income	Average of Average Income
Insurance	4	\$563,000	\$140,750
Veterinary	1	\$125,000	\$125,000
Transportation	2	\$225,000	\$112,500
Funeral Services	1	\$103,000	\$103,000
Small Business	1	\$87,500	\$87,500
Real Estate	2	\$157,500	\$78,750
Manufacturing	1	\$75,501	\$75,501
Law	38	\$2,796,501	\$73,592
Construction	1	\$62,500	\$62,500
Investment Banking	1	\$62,500	\$62,500
Financial Advisory Services	2	\$88,001	\$44,000
Dry cleaning	1	\$35,000	\$35,000
Political Committee	1	\$35,000	\$35,000
Banking	3	\$95,000	\$31,667
Auction House	1	\$25,000	\$25,000
Lecture/Speech	2	\$35,501	\$17,750
University	6	\$100,001	\$16,667
Church	1	\$12,500	\$12,500
Securities	1	\$12,500	\$12,500
Solar Power	1	\$12,500	\$12,500
Media	1	\$3,000	\$3,000
Music	1	\$3,000	\$3,000

Least Conflicted Award

Senator David Valesky, who represents the 53rd district in Madison, Oneida and Onondaga counties, plays piano at Sunday church services at his local church.

Recommendations

Common Cause/NY supports a ban on outside income with a pay raise for lawmakers, as well as the establishment of a full time legislature. Barring the trifecta, Common Cause/NY would support limits on outside income based on the Congressional model which is 15% of the highest salary paid to any sitting legislator, with limits on the type of occupation a member can hold.

Methodology

All lawmakers must submit Financial Disclosure Statements to the Joint Commission on Public Ethics (JCOPE), which are publically available in a PDF image form. Common Cause/NY downloaded 2015 FDSs for all 213 lawmakers from the JCOPE website and entered the data into an Excel format for analysis. The data reflect 2014 incomes. As such, Common Cause/NY has separated lawmakers elected in the 2014 cycle who would've properly reported their incomes prior to serving in public office. Common Cause/NY expects that many, if not all, new members no longer hold their prior jobs.

Lawmakers do not have to list their exact income on their Financial Disclosure Statements, only the range that the income falls in. Common Cause/NY calculated an estimated income by averaging the sum of the minimum and the sum of the maximum. The numbers vary depending on the range, and the number of outside incomes (some lawmakers list multiple sources).

[Sample Legislative Ethics Commission Financial Disclosure Statement](#)

LEGISLATIVE ETHICS COMMISSION
STATE OF NEW YORK
MAIL: LEGISLATIVE OFFICE BUILDING-BOX 75-ALBANY, NY 12247
LOCATION: ALFRED E. SMITH STATE OFFICE BUILDING-SUITE 1431-ALBANY, NY 12219
PHONE: (518)432-7837/7838
SENATE EXT: 2142 ASSEMBLY EXT: 5218

RECEIVED
MAY 13 2015
BY WPL
LEG. ETHICS COMM.

ANNUAL STATEMENT OF FINANCIAL DISCLOSURE
For Calendar Year 2014

1. Name Dean G. Skelos

2. (a) Title of Position New York State Senator

(b) Department, Agency or other Governmental Entity NYS Senate

(c) Address of Present Office Rm. 332 Capitol, Albany, NY 12247

(d) Office Telephone Number 518-455-3171

An example of a scanned FDS

According to JCOPE:

“State financial disclosure statements are due to be filed with the Joint Commission by May 15. Under law, members of the Legislature must first file with the Legislative Ethics Commission which then has through June 30 to turn them over to the Joint Commission for public disclosure.”

The data compiled in this report was made up of income category codes from JCOPE’s “Table 1” which is used for “for categories of value of gifts (Ques. 9), non-state income (13), deferred income (14), and assignments of income (15).”

Category A	none		
Category B	\$ 1	to under	\$ 1,000
Category C	\$ 1,000	to under	\$ 5,000
Category D	\$ 5,000	to under	\$20,000
Category E	\$ 20,000	to under	\$50,000
Category F	\$ 50,000	to under	\$75,000
Category G	\$ 75,000	to under	\$100,000
Category H	\$ 100,000	to under	\$150,000
Category I	\$ 150,000	to under	\$250,000
Category J	\$ 250,000	to under	\$350,000
Category K	\$ 350,000	to under	\$450,000
Category L	\$ 450,000	to under	\$550,000
Category M	\$ 550,000	to under	\$ 650,000
Category N	\$ 650,000	to under	\$ 750,000
Category O	\$ 750,000	to under	\$ 850,000
Category P	\$ 850,000	to under	\$ 950,000
Category Q	\$ 950,000	to under	\$1,050,000
Category R	\$1,050,000	to under	\$1,150,000
Category S	\$1,150,000	to under	\$1,250,000
Category T	\$1,250,000	to under	\$1,350,000
Category U	\$1,350,000	to under	\$1,450,000
Category V	\$1,450,000	to under	\$1,550,000
Category W	\$1,550,000	to under	\$1,650,000
Category X	\$1,650,000	to under	\$1,750,000
Category Y	\$1,750,000	to under	\$1,850,000
Category Z	\$1,850,000	to under	\$1,950,000