



Kathy Hochul
Governor
State Capitol Building
Albany, NY 12224

Carl Heastie
Assembly Speaker
LOB 932
Albany, NY 12248

Andrea Stewart-Cousins
Senate Majority Leader
LOB 907
Albany, NY 12247

VIA EMAIL

October 27, 2021

Re: Please provide at least \$5M annually to the Authorities Budget Office

Dear Governor Hochul, Speaker Heastie, and Majority Leader Stewart-Cousins,

Our groups again urge you to increase the annual funding provided to the Authorities Budget Office to at least \$5 million to give it the minimum resources it needs to fulfill its statutory duties. What we are proposing is \$2.95 million more than the \$2.05 million the ABO received in the 2021-22 budget. We note that the ABO is funded by a tiny assessment on public authorities, so changes to its budget do not impact the General Fund.¹ The Budget Director also has some discretion in determining the size of the assessment.

The Authorities Budget Office is a critical oversight agency charged with the herculean task of overseeing close to 600 state and local authorities and even more subsidiaries that hold \$243 billion in public debt.² State authorities collectively spend at least \$40 billion a year,³ while local authorities spend nearly \$20 billion. The ABO oversees enormous and important state authorities like the Metropolitan Transit Authority, New York State Thruway, New York Power Authority, and the Empire State Development Authority as well as myriad Local Development Corporations and Industrial Development Authorities operated by counties, cities and towns.

¹ Public Authorities Law, section 2975.

² Authorities Budget Office, Annual Report on Public Authorities in New York State, July 1, 2021, pp. 1, 22. Available at: <https://www.abo.ny.gov/reports/annualreports/ABO2021AnnualReport.pdf>. See also the State Comptroller's report, "Public Authorities By the Numbers" which counts 227 separate subsidiaries as of 2016. <https://www.osc.state.ny.us/files/reports/special-topics/pdf/pub-auth-num-2017.pdf>.

³ State Comprehensive Financial Plan FY 2020. (Urban Development Corporation not reported that year.)

Given such a huge scope of work, the ABO cannot meaningfully fulfill its duties with its current staff of 12 full-time employees and small budget for technology and data systems. The ABO's current staffing level is just 40 percent of the level envisioned when it was reestablished in 2010. The legislation establishing the ABO envisioned 30 staff positions including a counsel, policy analysts, communications and administrative positions, none of which have ever been filled.

With its current skeleton crew, the ABO is unable to:

- conduct more than a handful of investigations and reviews;⁴
- modernize the Public Authorities Reporting and Information System (PARIS) database to include state authority data or ensure accuracy of information reported;
- ensure compliance with authority procurement guidelines;
- obtain more information from authorities on non-competitive bidding on assets and services;
- fully monitor authorities' compliance with the Freedom of Information and Open Meetings Laws, and authorities' ethics guidelines and Public Authorities conflicts of interest laws; and
- make recommendations to the Governor and Legislature on debt limits for public authorities or board member compensation and term limits.

In unanimously passing the Public Authorities Reform Act (PARA) in 2009, the legislature declared in the fiscal implications of the bill,

*The current Authority Budget Office has a staff of seven professionals and a budget of approximately \$1.3 million. The creation of the IABO, with expanded enforcement, oversight, and regulatory responsibilities will drive costs above current levels. It can be expected that this new office will require legal and investigatory staff, as well as additional analytical and compliance personnel in order to meet these new duties. **It is estimated, based on the provisions of this bill, that these resource needs for the office could total an additional \$2.7 million on an annualized basis [emphasis added].***⁵

Based on that initial estimate, the ABO should have been funded at \$4 million (made up of the original \$1.3 million budget plus the estimated \$2.7 million for additional needs) in 2010. Adjusting for inflation, the \$4 million initial estimate is equal to \$5 million in

⁴ The ABO has conducted just six investigations from public complaints since 2007 which resulted in the issuance of public reports which are listed on its website under its [Governance and Operational Reports](#) section.

⁵ Bill memo of Chapter 505 of the Laws of 2009.

current terms. **We therefore recommend an annual allocation of \$5 million to the Authorities Budget Office consistent with the legislature’s initial estimate.** To achieve this recommended level of funding, the Office’s existing budget of \$2.05 million would need to be increased by \$2.95 million.

Oversight agencies like the ABO have been shown to save government money by preventing wasteful spending and corruption.⁶ We welcome a conversation regarding our support of an increase in the ABO’s budget. Should you be interested in speaking further to our groups, please contact Tom Speaker at Reinvent Albany at tom@reinventalbany.org.

Sincerely,

John Kaehny
Executive Director
Reinvent Albany

Laura Ladd Bierman
Executive Director
League of Women Voters of New York State

Andrew Rein
President
Citizens Budget Commission

Blair Horner
Executive Director
New York Public Interest Research Group

Betsy Gotbaum
Executive Director
Citizens Union

Michael Kink
Executive Director
Strong Economy for All Coalition

Susan Lerner
Executive Director
Common Cause New York

Cc:

Robert Mujica, Budget Director
Senator Liz Krueger, Chair of Finance Committee
Assemblymember Helene Weinstein, Chair of Committee on Ways and Means
Senator Leroy Comrie, Chair of Committee on Corporations, Authorities, and Commissions
Assemblymember Amy Paulin, Chair of Committee on Corporations, Authorities, and Commissions

⁶ Taylor, Marissa, “Government ignores audit findings that could save billions, senators conclude,” *Miami Herald*, October 17, 2016. Available at: <http://www.miamiherald.com/news/nation-world/national/article108692562.html>